

This document is provided for the convenience of investors and includes excerpts from the Company's earnings report for the year ended March 31, 2009 filed with the Tokyo Stock Exchange on May 14, 2009.

May 14, 2009

Company name: Taiyo Yuden Co., Ltd.
 URL: <http://www.ty-top.com/>
 Representative: Yoshiro Kanzaki, President and Chief Executive Officer
 Contact: Toshiaki Yokota, Deputy General Manager, Finance and Accounting Department
 Telephone number: +81-3-3832-0101
 Listing exchange: Tokyo Stock Exchange (Code Number: 6976)

Consolidated Results
for the Fiscal Year Ended March 31, 2009
(April 1, 2008 – March 31, 2009)

Overview of Operating Results

(Millions of yen rounded down unless otherwise stated)

Item	Year ended March 31, 2008		Year ended March 31, 2009		Increase / (Decrease)	
	Amount	Share (%)	Amount	Share (%)	Amount	(%)
Net sales	238,274	100.0	185,452	100.0	(52,822)	(22.2)
Operating income (loss)	21,304	8.9	(12,755)	(6.9)	(34,060)	—
Ordinary income (loss)	19,141	8.0	(12,601)	(6.8)	(31,743)	—
Income (loss) before income taxes and minority interests	17,186	7.2	(16,407)	(8.8)	(33,593)	—
Net income (loss)	10,634	4.5	(14,332)	(7.7)	(24,967)	—

(Yen)

Net income (loss) per share	89.22	(121.51)
Diluted net income (loss) per share	82.06	—

R&D expenses	8,888	8,463	(424)
Capital investment	44,584	27,018	(17,565)
Depreciation expenses	23,294	27,850	4,556

Notes:

- Share data is computed as a ratio of net sales.
- Although diluted shares exist for the year ended March 31, 2009, diluted net income per share is not calculated since there is net loss per share for the period.

	As of March 31, 2008	As of March 31, 2009	Increase / (Decrease)	
			Amount	(%)
Total assets	271,605	225,451	(46,153)	(17.0)
Net assets	167,766	139,435	(28,330)	(16.9)
Equity ratio	61.6%	61.6%	0.0pt	—
Net assets per share (Yen)	1,403.24	1,181.28	(221.96)	(15.8)

Net Sales by Product Segment

	Year ended March 31, 2008		Year ended March 31, 2009		Increase / (Decrease)	
	Amount	Share (%)	Amount	Share (%)	Amount	(%)
Capacitors	109,347	45.9	79,359	42.8	(29,988)	(27.4)
Ferrite and applied products	35,158	14.7	28,467	15.4	(6,690)	(19.0)
Modules	37,399	15.7	33,451	18.0	(3,948)	(10.6)
Optical media products	31,837	13.4	31,168	16.8	(669)	(2.1)
Other electronic components	24,530	10.3	13,004	7.0	(11,525)	(47.0)
Total	238,274	100.0	185,452	100.0	(52,822)	(22.2)

Consolidated Results for the year ended March 31, 2009

May 14, 2009

1. Consolidated financial results for the period from April 1, 2008 to March 31, 2009

(1) Consolidated operating results

(Percentages represent changes from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2009	185,452	(22.2)	(12,755)	-	(12,601)	-	(14,332)	-
Year ended March 31, 2008	238,274	7.7	21,304	(3.2)	19,141	(11.6)	10,634	(17.8)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating income on net sales
	Yen	Yen	%	%	%
Year ended March 31, 2009	(121.51)	-	(9.4)	(5.1)	(6.9)
Year ended March 31, 2008	89.22	82.06	6.3	7.2	8.9

(Reference) Equity in earnings of affiliate Year ended March 31, 2009 103 million yen Year ended March 31, 2008 95million yen

Note: Although diluted shares exist for the year ended March 31, 2009, diluted net income per share is not calculated since there is net loss per share for the period.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Equity per share
	Millions of yen	Millions of yen	%	Yen
Year ended March 31, 2009	225,451	139,435	61.6	1,181.28
Year ended March 31, 2008	271,605	167,766	61.6	1,403.24

(Reference) Shareholder's equity As of March 31, 2009 138,884 million yen As of March 31, 2008 167,260 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2009	15,696	(25,665)	9,780	33,110
Year ended March 31, 2008	29,791	(43,768)	12,855	35,401

2. Dividend information

	Cash dividend per share					Total annual dividend	Dividend payout ratio	Dividend on net assets
	First Quarter	Second Quarter	Third Quarter	Year End	Total			
Year ended March 31, 2008	Yen -	Yen 5.00	Yen -	Yen 5.00	Yen 10.00	Millions of yen 1,191	% 11.2	% 0.7
Year ended March 31, 2009	Yen -	Yen 5.00	Yen -	Yen 5.00	Yen 10.00	Millions of yen 1,175	% -	% 0.8
Year ending March 31, 2010 (Forecast)	Yen -	Yen 5.00	Yen -	Yen 5.00	Yen 10.00		% -	%

3. Forecast of operating results for the period from April 1, 2009 to March 31, 2010

(Percentages represent changes from corresponding periods in the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2009	74,500	(31.9)	(5,000)	-	(5,000)	-	(7,000)	-	(59.54)
Year ending March 31, 2010	150,000	(19.1)	(10,000)	-	(10,000)	-	(14,000)	-	(119.08)

4. Other

(1) Changes in principal subsidiaries during the year ended March 31, 2009: No

(2) Changes in principles and procedures of accounting transaction and method of presentation

a. Changes caused by adoption of new accounting standards: Yes

b. Changes caused by reasons other than a.: Yes

(3) Number of shares outstanding (common stock):

a. Number of shares outstanding at end of period (including treasury stock)

As of March 31, 2009 120,481,395 shares As of March 31, 2008 120,478,119 shares

b. Number of treasury stock at end of period:

As of March 31, 2009 2,910,398 shares As of March 31, 2008 1,281,821 shares

Note: 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 differ significantly from actual results with various factors.

1. Operating Results

(1) Analysis of Operating Results

a. Operating Results for the Year Ended March 31, 2009

In fiscal 2009, the year ended March 31, 2009, the Taiyo Yuden Group confronted a harsh operating environment. In its principal operating markets including personal computers, mobile phones, televisions and related devices, production adjustments both for finished products and components resulted in a substantial year-on-year decline in new orders.

Under these circumstances, the Taiyo Yuden Group undertook specific measures across each of its four business segments. Brief details are as follows.

In Capacitors, the Company placed considerable weight on efforts to reduce direct input costs with respect to its mainstay multilayer product lineup, focusing mainly on the promotion of productivity enhancement. At the same time, Taiyo Yuden worked diligently to improve the performance of high-end products and to expand sales by bolstering its structure and systems including efforts to cultivate new markets. In Ferrite and Applied Products, the Company took steps to increase sales and secure stable supply of wire-wound inductors for power circuits used in digital equipment. Turning to the Modules segment, Taiyo Yuden accelerated efforts to lift the competitive prowess of its lineup of Bluetooth[®], wireless LAN and other modules. And, in Optical Media Products, the Company continued to improve productivity and quality while endeavoring to ensure the stable supply of highly reliable products while further reducing costs.

Despite these efforts, the Taiyo Yuden Group was unable to fully offset the impact of a difficult business environment. In the year ended March 31, 2009, consolidated net sales contracted 22.2% compared with the previous fiscal year to ¥185,452 million. Buffeted by this sharp decline, the Company reported an operating loss for the period of ¥12,755 million (compared with operating income of ¥21,304 million in the previous year), an ordinary loss of ¥12,601 million (compared with ordinary income of ¥19,141 million in the previous year) and a net loss of ¥14,332 million (against net income in the previous fiscal year of ¥10,634 million).

The average foreign currency exchange rate for fiscal 2009 was US\$1: ¥100.79. Compared with US\$1: ¥115.65 in the previous fiscal year, the value of the yen appreciated ¥14.86.

Net sales by product segment are presented as follows.

Capacitors

Beginning with multilayer ceramic capacitors, Taiyo Yuden is engaged in the manufacture and sale of a wide range of capacitor products. In fiscal 2009, segment sales declined across all applications, falling 27.4% compared with the previous fiscal year to ¥79,359 million.

Ferrite and Applied Products

This segment comprises ferrite cores and their applied products including various inductors. As with capacitors, segment sales across all applications fell year on year. In fiscal 2009, Ferrite and Applied Product sales amounted to ¥28,467 million, a 19.0% decrease compared with the previous fiscal year.

Modules

The Modules product segment comprises a wide variety of power supply and high frequency modules. On a year-on-year basis, segment sales declined across the board. In fiscal 2009 module sales were ¥33,451 million, down 10.6%.

Optical Media Products

In this segment, Taiyo Yuden is active in the manufacture and sale of CD-Rs, DVD-Rs/DVD+Rs and recordable Blu-ray Discs (BD-Rs). Sales in this segment edged down 2.1% year on year to ¥31,168

million in fiscal 2009. This was mainly attributable to lower sales of CD-Rs and DVD-Rs.

Other Electronic Components

This segment includes products not included in the above-mentioned segments, and the businesses of subsidiaries. In fiscal 2009, the vast majority of sales in this segment came from the mounting business of a subsidiary. Total segment sales dropped 47.0% year on year to ¥13,004 million.

b. Outlook for the Year Ending March 31, 2010

Consolidated operating results forecasts for the year ending March 31, 2010 are as follows.

(Millions of yen unless otherwise stated)

Item \ Period	Six months ending September 30, 2009		Year ending March 31, 2010	
	Amount	YoY (%)	Amount	YoY (%)
Net sales	74,500	(31.9)	150,000	(19.1)
Operating loss	5,000	—	10,000	—
Ordinary loss	5,000	—	10,000	—
Net loss	7,000	—	14,000	—

Looking at business conditions in fiscal 2010, a positive turnaround from the abrupt recessionary trend experienced in the second half of 2008 is forecast. Taking into consideration the deep and prolonged nature of uncertainty that surrounds the market, however, this turnaround is expected to remain weak, falling well short of a full-fledged recovery. On an individual market sector basis, each upswing is anticipated to remain limited. Furthermore, projecting a foreign currency exchange rate of US\$1: ¥95.00, the value of the yen is expected to appreciate by approximately ¥6.00.

Accounting for the aforementioned factors, consolidated net sales for the year ending March 31, 2010 are projected to decline 19.1% compared with fiscal 2009 to ¥150,000 million. The Taiyo Yuden Group anticipates it will report an operating loss of ¥10,000 million, an ordinary loss of ¥10,000 million and a net loss of ¥14,000 million. This is against an operating loss, an ordinary loss and a net loss of ¥12,755 million, ¥12,601 million and ¥14,332 million, respectively, in fiscal 2009.

Disclaimer concerning forecasts of operating results:

The aforementioned forecasts of results are based on information available as of the date of this report. As a result, information contained in this document may include uncertainties and items that are not of historical fact. Accordingly, actual results may differ materially from forecasts due to a variety of factors.

c. Progress in relation to Achieving Management Indicator Targets

Taiyo Yuden remains committed to improving profitability and increasing asset efficiency as the means to further enhance its corporate value. In this context, the Company has identified a consolidated operating income to net sales ratio of 10% or more as a key management indicator.

Impacted by the financial crisis which triggered economic volatility, Taiyo Yuden reported a consolidated operating loss to net sales ratio of 6.9% for the year ended March 31, 2009.

(2) Analysis of Financial Condition
Cash Flows

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009	Increase / (Decrease)
Operating activities	29,791	15,696	(14,095)
Investing activities	(43,768)	(25,665)	18,103
Financing activities	12,855	9,780	(3,075)
Effect of exchange rate changes on cash and cash equivalents	(2,913)	(2,101)	811
Net increase (decrease) in cash and cash equivalents	(4,034)	(2,290)	1,743
Cash and cash equivalents at beginning of period	39,435	35,401	(4,034)
Cash and cash equivalents at end of period	35,401	33,110	(2,290)

Net cash provided by operating activities was ¥15,696 million, a decrease of 47.3% compared with the previous fiscal year. Principal components in fiscal 2009 were loss before income taxes and minority interests of ¥16,407 million, depreciation and amortization of ¥27,850 million and decrease in trade receivables of ¥17,757 million.

Net cash used in investing activities amounted to ¥25,665 million, down 41.4% year on year. The principal cash outflow was purchases of property, plant and equipment totaling ¥27,018 million.

Net cash provided by financing activities was ¥9,780 million, a decline of 23.9% compared with the previous fiscal year. Major components included proceeds from long-term borrowings of ¥20,500 million, payments for the redemption of convertible bonds totaling ¥6,703 million and purchases of treasury stock amounting to ¥2,043 million.

Taking into consideration the aforementioned activities, cash and cash equivalents as of the end of fiscal 2009 stood at ¥33,110 million, a decrease of ¥2,290 million compared with the previous fiscal year-end.

Reference: Trends in Cash Flow-Related Indicators

	As of March 31, 2005	As of March 31, 2006	As of March 31, 2007	As of March 31, 2008	As of March 31, 2009
Equity ratio (%)	66.8	68.6	65.5	61.6	61.6
Equity ratio (%) (Market capitalization basis)	65.2	99.4	113.2	42.7	38.8
Cash flow to interest-bearing liabilities (years)	4.2	1.2	1.1	1.6	3.9
Interest coverage ratio (times)	18.0	71.0	71.3	66.6	25.3

Equity ratio: Shareholders' equity / Total assets

Equity ratio (Market capitalization basis): Market capitalization / Total assets

Cash flow to Interest-bearing liabilities: Interest-bearing liabilities / Cash flow

Interest coverage ratio: Cash flow / Interest expense

Notes:

1. All indicators have been calculated from consolidated financial figures.
2. Market capitalization is calculated based on the number of shares issued and outstanding less treasury stock.
3. Cash flow refers to cash flows from operating activities as shown on the consolidated statements of cash flows.
4. Interest-bearing liabilities comprise all debt on which interest is paid in the liabilities section of

the consolidated balance sheets as well as noninterest-bearing convertible bonds with stock acquisition rights. Interest expense represents interest paid as shown on the consolidated statements of cash flows.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2008	As of March 31, 2009
ASSETS		
Current assets:		
Cash and deposits	38,304	37,105
Trade notes and accounts receivable	52,628	32,784
Inventories	40,458	—
Finished products	—	10,629
Work in process	—	9,474
Raw materials and supplies	—	10,180
Deferred tax assets	2,630	654
Other	7,321	6,187
Allowance for doubtful receivables	(227)	(191)
Total current assets	141,116	106,825
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	64,120	63,218
Machinery and equipment	174,519	184,245
Tools, furniture and fixtures	16,928	18,514
Land	7,960	7,853
Construction in progress	14,202	6,471
Accumulated depreciation	(159,579)	(173,627)
Net property, plant and equipment	118,152	106,676
Intangible fixed assets:		
Goodwill	974	731
Other	714	600
Total intangible fixed assets	1,688	1,332
Investments and other assets:		
Investment securities	5,166	3,510
Deferred tax assets	3,140	4,289
Other	2,351	3,113
Allowance for doubtful receivables	(11)	(296)
Total investments and other assets	10,647	10,616
Total fixed assets	130,488	118,625
Total assets	271,605	225,451

(Millions of yen)

	As of March 31, 2008	As of March 31, 2009
LIABILITIES		
Current liabilities:		
Trade notes and accounts payable	23,811	7,831
Short-term borrowings	13,003	13,868
Current portion of long-term borrowings	36	6,924
Current portion of convertible bonds	6,707	—
Accrued amounts payable	8,974	3,001
Income taxes payable	3,406	1,328
Deferred tax liabilities	10	525
Accrued bonuses for employees	2,938	1,021
Accrued bonuses for directors and corporate auditors	82	—
Other	7,045	5,827
Total current liabilities	66,014	40,327
Long-term liabilities:		
Convertible bonds with stock acquisition rights	20,000	20,000
Long-term borrowings	6,561	20,115
Deferred tax liabilities	8,068	2,358
Accrued retirement benefits for employees	1,888	1,515
Accrued retirement benefits for directors and corporate auditors	178	116
Negative goodwill	—	120
Other	1,127	1,461
Total long-term liabilities	37,824	45,687
Total liabilities	103,838	86,015
NET ASSETS		
Shareholders' equity:		
Common stock	23,555	23,557
Capital surplus	41,448	41,450
Retained earnings	113,469	97,840
Treasury stock	(1,600)	(3,643)
Total shareholders' equity	176,873	159,204
Valuation, translation adjustments and others:		
Net unrealized holding gains (losses) on securities	107	(550)
Deferred gains (losses) on hedges	13	(6)
Foreign currency translation adjustments	(9,733)	(19,762)
Total valuation, translation adjustments and others	(9,612)	(20,320)
Stock acquisition rights	259	303
Minority interests	246	247
Total net assets	167,766	139,435
Total liabilities and net assets	271,605	225,451

(2) Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Net sales	238,274	185,452
Cost of sales	179,379	163,420
Gross profit	58,895	22,031
Selling, general and administrative expenses	37,590	34,787
Operating income (loss)	21,304	(12,755)
Non-operating income:		
Interest income	1,180	534
Dividend income	75	131
Gain on foreign exchange	—	632
Equity in earnings of affiliates	95	103
Gain on sales of by-product	283	—
Other	475	660
Total non-operating income	2,109	2,062
Non-operating expenses:		
Interest expense	416	629
Loss on foreign exchange	3,460	—
Compensation expense	72	—
Depreciation and amortization on idle fixed assets	—	1,108
Other	322	170
Total non-operating expenses	4,272	1,908
Ordinary income (loss)	19,141	(12,601)
Extraordinary gains:		
Gain on sales of property, plant and equipment	231	3,757
Subsidy income	530	1,092
Other	69	163
Total extraordinary gains	831	5,013
Extraordinary losses:		
Loss on disposal and sales of property, plant and equipment	337	758
Impairment loss	174	161
Loss on devaluation of inventories	—	1,539
Loss on disposal of inventories	440	145
Loss on devaluation of investment securities	—	1,701
Settlement package	—	3,569
Restructuring charges	1,569	—
Other	264	944
Total extraordinary losses	2,786	8,819
Income before income taxes and minority interests	17,186	(16,407)
Income taxes—current	6,635	1,761
Income taxes—previous period	—	781
Income taxes—deferred	(97)	(4,429)
Total income taxes	6,538	(1,886)
Minority interests	13	(188)
Net income (loss)	10,634	(14,332)

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Operating activities:		
Income (loss) before income taxes and minority interests	17,186	(16,407)
Depreciation and amortization	23,294	27,850
Impairment loss on property, plant and equipment	174	161
Amortization of goodwill	248	243
Amortization of negative goodwill	—	(13)
Increase (decrease) in allowance for doubtful receivables	(63)	277
Increase (decrease) in accrued bonuses for employees	125	(1,934)
Increase (decrease) in accrued bonuses for directors and corporate auditors	42	(82)
Increase (decrease) in accrued retirement benefits for directors and corporate auditors	9	(37)
Interest and dividend income	(1,255)	(666)
Interest expense	416	629
Equity in earnings of affiliate	(95)	(103)
(Gain) loss on disposal and sales of property, plant and equipment	686	(3,058)
Loss on devaluation of investment securities	—	1,701
Settlement package	—	3,569
Decrease in amounts payable for obligations resulting from change in retirement benefit plan	(720)	—
(Increase) decrease in trade receivables	(93)	17,757
(Increase) decrease in inventories	(10,133)	10,142
Increase (decrease) in trade payables	5,417	(16,319)
Others	880	(941)
Subtotal	36,120	22,770
Interest and dividends received	1,938	748
Interest paid	(447)	(619)
Settlement package paid	—	(2,704)
Income taxes paid	(7,820)	(4,498)
Net cash provided by operating activities	29,791	15,696
Investing activities:		
Purchases of property, plant and equipment	(44,584)	(27,018)
Proceeds from sales of property, plant and equipment	631	3,248
Purchases of investment securities	(443)	(687)
Net (increase) decrease in time deposits	639	(2,041)
Purchase of investment in subsidiaries	(269)	—
Proceeds from the acquisition of subsidiary shares in line with changes in the scope of consolidation	—	1,218
Others	257	(384)
Net cash used in investing activities	(43,768)	(25,665)

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2009
Financing activities:		
Net increase (decrease) in short-term borrowings	3,789	(762)
Proceeds from long-term borrowings	—	20,500
Repayments of long-term borrowings	(9,550)	(57)
Proceeds from issuance of convertible bonds with stock acquisition rights	19,934	—
Redemption of convertible bonds	—	(6,703)
Proceeds from minority interest payments	—	12
Purchases of treasury stock	(120)	(2,043)
Payments of cash dividends	(1,191)	(1,183)
Others	(6)	18
Net cash provided by financing activities	12,855	9,780
Effect of exchange rate changes on cash and cash equivalents	(2,913)	(2,101)
Net increase (decrease) in cash and cash equivalents	(4,034)	(2,290)
Cash and cash equivalents at beginning of period	39,435	35,401
Cash and cash equivalents at end of period	35,401	33,110

3. Production, Orders and Sales Results

(1) Production

(Millions of yen)

	Year ended March 31, 2008		Year ended March 31, 2009	
	Amount	Share (%)	Amount	Share (%)
Capacitors	112,498	48.1	80,014	46.5
Ferrite and applied products	35,335	15.1	27,833	16.2
Modules	30,183	12.9	23,705	13.8
Optical media products	31,491	13.5	28,034	16.3
Other electronic products	24,401	10.4	12,340	7.2
Total	233,910	100.0	171,928	100.0

Note: Amounts are based on average unit sales prices for the period.

(2) Orders

(Millions of yen)

	Year ended March 31, 2008		Year ended March 31, 2009	
	Amount	Share (%)	Amount	Share (%)
Capacitors	105,679	44.9	73,860	41.9
Ferrite and applied products	35,283	15.0	27,295	15.5
Modules	37,938	16.1	32,164	18.2
Optical media products	31,961	13.6	30,386	17.2
Other electronic products	24,574	10.4	12,702	7.2
Total	235,437	100.0	176,409	100.0

(3) Order Backlog

(Millions of yen)

	Year ended March 31, 2008		Year ended March 31, 2009	
	Amount	Share (%)	Amount	Share (%)
Capacitors	13,825	58.6	8,325	57.2
Ferrite and applied products	4,423	18.7	3,251	22.3
Modules	3,687	15.6	2,399	16.5
Optical media products	1,054	4.5	272	1.9
Other electronic products	607	2.6	304	2.1
Total	23,597	100.0	14,554	100.0

(4) Sales

(Millions of yen)

	Year ended March 31, 2008		Year ended March 31, 2009	
	Amount	Share (%)	Amount	Share (%)
Capacitors	109,347	45.9	79,359	42.8
Ferrite and applied products	35,158	14.7	28,467	15.4
Modules	37,399	15.7	33,451	18.0
Optical media products	31,837	13.4	31,168	16.8
Other electronic products	24,530	10.3	13,004	7.0
Total	238,274	100.0	185,452	100.0