

This document is provided for the convenience of investors and includes excerpts from the Company's earnings report for the three months ended June 30, 2009 filed with the Tokyo Stock Exchange on August 6, 2009.

August 6, 2009

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**Consolidated Results for
the Three Months Ended June 30, 2009
(April 1, 2009 – June 30, 2009)**

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

Overview of Operating Results

Item	Three months ended June 30, 2009		Three months ended June 30, 2008		Increase / (Decrease)	
	Amount	Share [%]	Amount	Share [%]	Amount	[%]
Net sales	42,587	100.0	51,282	100.0	(8,694)	(17.0)
Operating income (loss)	(1,204)	(2.8)	1,876	3.7	(3,080)	—
Ordinary income (loss)	(1,865)	(4.4)	2,567	5.0	(4,432)	—
Income (loss) before income taxes and minority interests	(1,894)	(4.4)	1,969	3.8	(3,863)	—
Net income (loss)	(2,467)	(5.8)	904	1.8	(3,371)	—

Net income (loss) per share [Yen]	(20.99)	7.61
Diluted net income (loss) per share [Yen]	—	7.06

R&D expenses	1,699	2,183	(484)	(22.2)
Capital investment	2,727	8,626	(5,899)	(68.4)
Depreciation expenses	5,779	6,243	(463)	(7.4)

Notes:

- Share data is computed as a ratio of net sales.
- Although diluted shares exist for the period of three months ended June 30, 2009, diluted net income per share was not calculated since there is net loss per share for the period.

	As of June 30, 2009	As of March 31, 2009	Increase / (Decrease)	
			Amount	[%]
Total assets	234,599	225,451	9,148	4.1
Net assets	137,166	139,435	(2,269)	(1.6)
Equity ratio	58.3%	61.6%	(3.3) pt	—
Net assets per share [Yen]	1,161.96	1,181.28	(19.32)	(1.6)

Net Sales by Product Segment

	Three months ended June 30, 2009		Three months ended June 30, 2008		Increase / (Decrease)	
	Amount	Share [%]	Amount	Share [%]	Amount	[%]
Capacitors	18,610	43.7	23,354	45.5	(4,744)	(20.3)
Ferrite and applied products	6,817	16.0	8,131	15.9	(1,313)	(16.2)
Modules	7,793	18.3	8,577	16.7	(784)	(9.1)
Optical media products	6,683	15.7	6,662	13.0	20	0.3
Other electronic components	2,682	6.3	4,555	8.9	(1,872)	(41.1)
Total	42,587	100.0	51,282	100.0	(8,694)	(17.0)

Consolidated Results for the Three Months Ended June 30, 2009

August 6, 2009

1. Consolidated financial results for the period from April 1, 2009 to June 30, 2009

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2009	42,587	(17.0)	(1,204)	—	(1,865)	—	(2,467)	—
Three months ended June 30, 2008	51,282	—	1,876	—	2,567	—	904	—

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2009	(20.99)	—
Three months ended June 30, 2008	7.61	7.06

Note: Although diluted shares exist for the period of three months ended June 30, 2009, diluted net income per share was not calculated since there is net loss per share for the period.

(2) Financial position

	Total assets	Net assets	Equity ratio	Equity per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2009	234,599	137,166	58.3	1,161.96
As of March 31, 2009	225,451	139,435	61.6	1,181.28

(Reference) Shareholder's equity As of June 30, 2009 136,673 million yen As of March 31, 2009 138,884 million yen

2. Dividend information

(Standard date)	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2009	—	5.00	—	5.00	10.00
Year ending March 31, 2010	—				
Year ending March 31, 2010 (forecast)		5.00	—	5.00	10.00

Note: No changes in the forecasted dividend during the first quarter ended June 30, 2009

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

(Percentages represent changes from the same period in the previous fiscal 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	91,500	(16.4)	0	—	(1,000)	—	(3,000)	—	(25.51)
Year ending March 31, 2010	184,000	(0.8)	0	—	(2,000)	—	(6,000)	—	(51.01)

Note: There are changes in the forecasted results during the first quarter ended June 30, 2009.

4. Other

(1) Changes in principal subsidiaries during the three months ended June 30, 2009: No

(2) Adoption of simplified accounting method and specific accounting transaction for quarterly consolidated reporting: Yes

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

a. Changes caused by adoption of new accounting standards: No

b. Changes caused by reasons other than a.: No

(4) Number of common shares outstanding :

a. Number of common shares outstanding (including treasury stock):

As of June 30, 2009	120,481,395 shares	As of March 31, 2009	120,481,395 shares
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b. Number of treasury stock:

As of June 30, 2009	2,858,128 shares	As of March 31, 2009	2,910,398 shares
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c. Average number of common shares outstanding:

Three months ended June 30, 2009	117,582,859 shares	Three months ended June 30, 2008	118,763,287 shares
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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 significantly differ from actual results with various factors.

Qualitative Information Concerning Financial Statements and Other

1. Qualitative Information Concerning Consolidated Operating Results

During the first quarter of fiscal 2010, the fiscal year ending March 31, 2010, operating conditions were mixed throughout the markets in which Taiyo Yuden Co., Ltd. and its subsidiaries (together, the “Companies”) operate. On the one hand, the trend toward large-scale inventory adjustment, prompted by rapid and dramatic deterioration in the macro-economy since autumn 2008, showed signs of settling with a positive upswing in new orders. On the other hand, orders for finished products and components fell compared with the corresponding period of the previous fiscal year. This downturn was felt across-the-board, encompassing personal computers, mobile phones and televisions.

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

In Capacitors, the Companies placed considerable weight on efforts to promote reductions in direct input costs driven mainly by improvements in productivity with respect to its mainstay multilayer product lineup. At the same time, the Companies worked diligently to bolster its structure and systems, encompassing efforts to cultivate new markets, with the aim of further increasing sales. In Ferrite and Applied Products, the Companies took steps to boost sales and secure a stable supply of wire-wound inductors for power circuits used in digital equipment. Turning to the Modules segment, the Companies accelerated efforts to lift the competitive standing of its lineup of Bluetooth[®], wireless LAN and other modules. In Optical Media Products, the Companies continued to enhance productivity and quality while endeavoring to ensure the stable supply of highly reliable products. These efforts ran parallel with steps to further curtail costs.

The Companies recorded consolidated net sales of ¥42,587 million in the first quarter of the fiscal year ending March 31, 2010. This was 17.0% lower than the level recorded in the corresponding period of the previous fiscal year. From a profit perspective, the Companies reported an operating loss for the three-month period ended June 30, 2009 of ¥1,204 million, compared with operating income of ¥1,876 million for the three-month period ended June 30, 2008. In the period under review, the Companies experienced an ordinary loss of ¥1,865 million down from ordinary income of ¥2,567 million, and a net loss of ¥2,467 million against net income of ¥904 million in the corresponding period of the previous fiscal year.

The average foreign currency exchange rate for the three-month period ended June 30, 2009 was

US\$1: ¥97.80. Compared with the average foreign currency exchange rate of US\$1: ¥102.57 in the corresponding period of the previous fiscal year, the value of the yen appreciated ¥4.77.

Net sales information by product segment is presented as follows.

Capacitors

Beginning with multilayer ceramic capacitors, the Companies are engaged in the manufacture and sales of a wide range of capacitor products.

In the first quarter of the fiscal year ending March 31, 2010, product segment sales declined across all applications on a year-on-year basis. As a result, capacitor sales decreased 20.3% compared with the corresponding period of the previous fiscal year to ¥18,610 million.

Ferrite and Applied Products

This product segment comprises ferrite cores and their applied products including various inductors.

In the period under review, segment sales for components saw a slight increase year on year. This was, however, more than offset by the drop in sales for personal computer, mobile phone and television applications. Accordingly, sales in this product segment contracted 16.2% compared with the corresponding period of the previous fiscal year to ¥6,817 million.

Modules

The Modules product segment comprises a wide variety of power supply and high frequency modules.

For the three-month period ended June 30, 2009, sales of Bluetooth[®], wireless LAN and inverter modules for back lights of LCD televisions declined. As a result, sales in this product segment decreased 9.1% year on year to ¥7,793 million.

Optical Media Products

In this segment, the Companies are active in the manufacture and sales of CD-Rs, DVD-Rs/DVD+Rs and recordable Blue-ray Discs (BD-Rs).

Products sales in this segment for the three-month period ended June 30, 2009 were essentially unchanged compared with the corresponding period of the previous fiscal year, edging up 0.3% year on year to ¥6,683 million.

Other Electronics Components

This segment is made up of products not included in the aforementioned segments as well as the businesses of subsidiaries.

In the period under review, the vast majority of product segment sales came from the mounting business of a subsidiary. Total product segment sales dropped 41.1% compared with the corresponding period of the previous fiscal year to ¥2,682 million.

2. Qualitative Information Concerning Consolidated Financial Condition

(1) Changes in Financial Condition

Total assets as of the end of the first quarter of the fiscal year ending March 31, 2010 increased ¥9,148 million compared with the end of the previous fiscal year. Current assets climbed ¥11,732 million on the back of an upswing in cash and deposits of ¥8,295 million. Fixed assets contracted ¥2,584 million, mainly attributable to a drop of ¥3,486 million in net property, plant and equipment.

Total liabilities increased ¥11,417 million. The major component was trade notes and accounts payable, which rose ¥6,142 million.

Net assets contracted ¥2,269 million.

(2) Cash Flows

Net cash provided by operating activities amounted to ¥7,331 million, an increase of 113.1% compared with the corresponding period of the previous fiscal year. Principal factors were a loss before income taxes and minority interests of ¥1,894 million, depreciation and amortization of ¥5,779 million, an increase in trade payables of ¥6,155 million, and an increase in trade receivables totaling ¥4,954 million.

Net cash used in investing activities was ¥3,151 million, 69.6% lower than the corresponding period of the previous fiscal year. The major component was purchases of property, plant and equipment totaling ¥2,727 million.

Net cash provided by financing activities amounted to ¥3,875 million, a decrease of 28.1% compared with the corresponding period of the previous fiscal year. During the first quarter of the fiscal year ending March 31, 2010, the primary movements in cash flows from financing activities were a net increase in short-term borrowings totaling ¥2,960 million and proceeds from sale and

lease-back transactions of ¥1,655 million.

Taking into account the aforementioned activities, cash and cash equivalents as of the end of the first quarter of the fiscal year ending March 31, 2010 stood at ¥40,883 million. The net increase in cash and cash equivalents compared with the end of the previous fiscal year was ¥7,772 million.

3. Qualitative Information Concerning Forecasts of Consolidated Operating Results

Taking into consideration the Companies's consolidated performance for the first quarter of the fiscal year under review, Taiyo Yuden. revised its consolidated operating results forecasts for both the six-month period ending September 30, 2009 and the full fiscal year ending March 31, 2010, previously announced on May 14, 2009. For details and the revised figures, please refer to Taiyo Yuden's press release "Taiyo Yuden Revises Forecasts of Results," announced on August 6, 2009.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of June 30, 2009	As of March 31, 2009
ASSETS		
Current assets:		
Cash and deposits	45,401	37,105
Trade notes and accounts receivable	37,773	32,784
Finished products	11,142	10,629
Work in process	8,745	9,474
Raw materials and supplies	10,415	10,180
Other	5,290	6,841
Allowance for doubtful receivables	(210)	(191)
Total current assets	118,557	106,825
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	63,498	63,218
Machinery and equipment	184,645	184,245
Tools, furniture and fixtures	18,538	18,514
Land	7,847	7,853
Construction in progress	6,046	6,471
Accumulated depreciation	(177,385)	(173,627)
Net property, plant and equipment	103,190	106,676
Intangible fixed assets:		
Goodwill	670	731
Other	578	600
Total intangible fixed assets	1,248	1,332
Investments and other assets:		
Investment securities	4,558	3,510
Other	7,349	7,403
Allowance for doubtful receivables	(305)	(296)
Total investments and other assets	11,602	10,616
Total fixed assets	116,041	118,625
Total assets	234,599	225,451

(Millions of yen)

	As of June 30, 2009	As of March 31, 2009
LIABILITIES		
Current liabilities:		
Trade notes and accounts payable	13,973	7,831
Short-term borrowings	16,828	13,868
Current portion of long-term borrowings	7,450	6,924
Income taxes payable	1,651	1,328
Accrued bonuses for employees	607	1,021
Other	10,463	9,353
Total current liabilities	50,975	40,327
Long-term liabilities:		
Convertible bonds with stock acquisition rights	20,000	20,000
Long-term borrowings	19,527	20,115
Accrued retirement benefits for employees	1,694	1,515
Accrued retirement benefits for directors and corporate auditors	120	116
Negative goodwill	113	120
Other	5,001	3,819
Total long-term liabilities	46,457	45,687
Total liabilities	97,433	86,015
NET ASSETS		
Shareholders' equity:		
Common stock	23,557	23,557
Capital surplus	41,471	41,450
Retained earnings	94,739	97,840
Treasury stock	(3,576)	(3,643)
Total shareholders' equity	156,192	159,204
Valuation, translation adjustments and others:		
Net unrealized holding gains (losses) on securities	329	(550)
Deferred gains (losses) on hedges	9	(6)
Foreign currency translation adjustments	(19,857)	(19,762)
Total valuation, translation adjustments and others	(19,519)	(20,320)
Stock acquisition rights	248	303
Minority interests	245	247
Total net assets	137,166	139,435
Total liabilities and net assets	234,599	225,451

(2) Consolidated Statements of Operations

(Millions of yen)

	Three months ended June 30, 2008	Three months ended June 30, 2009
Net sales	51,282	42,587
Cost of sales	40,477	36,365
Gross profit	10,804	6,221
Selling, general and administrative expenses	8,927	7,426
Operating income (loss)	1,876	(1,204)
Non-operating income:		
Interest income	199	69
Dividend income	42	21
Equity in earnings of affiliates	1	0
Gain on foreign exchange	448	—
Subsidies	—	97
Other	193	60
Total non-operating income	886	249
Non-operating expenses:		
Interest expense	117	160
Loss on foreign exchange	—	676
Other	77	73
Total non-operating expenses	194	909
Ordinary income (loss)	2,567	(1,865)
Extraordinary gains:		
Gain on sales of property, plant and equipment	4	23
Subsidy income	1,057	—
Other	11	—
Total extraordinary gains	1,073	23
Extraordinary losses:		
Loss on disposal and sales of property, plant and equipment	99	46
Loss on devaluation of inventories	1,539	—
Other	31	6
Total extraordinary losses	1,671	53
Income (loss) before income taxes and minority interests	1,969	(1,894)
Income taxes—current	624	640
Income taxes—deferred	432	(64)
Total income taxes	1,057	575
Minority interests	7	(2)
Net income (loss)	904	(2,467)

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2008	Three months ended June 30, 2009
Operating activities:		
Income (loss) before income taxes and minority interests	1,969	(1,894)
Depreciation and amortization	6,243	5,779
Amortization of goodwill	60	60
Amortization of negative goodwill	—	(6)
Increase (decrease) in allowance for doubtful receivables	(49)	25
Increase (decrease) in accrued bonuses for employees	(1,555)	(418)
Increase (decrease) in accrued bonuses for directors and corporate auditors	(66)	—
Increase (decrease) in accrued retirement benefits for directors and corporate auditors	(6)	0
Interest and dividend income	(242)	(90)
Interest expense	117	160
Equity in earnings of affiliate	(1)	(0)
(Gain) loss on disposal and sales of property, plant and equipment	95	22
(Increase) decrease in trade receivables	2,478	(4,954)
(Increase) decrease in inventories	(2,332)	5
Increase (decrease) in trade payables	(4,523)	6,155
Others	3,581	2,848
Subtotal	5,768	7,693
Interest and dividends received	294	71
Interest paid	(117)	(125)
Income taxes paid	(2,504)	(308)
Net cash provided by operating activities	3,440	7,331
Investing activities:		
Net (increase) decrease in time deposits	(1,820)	(491)
Purchases of property, plant and equipment	(8,626)	(2,727)
Proceeds from sales of property, plant and equipment	57	25
Purchases of investment securities	(37)	—
Others	49	40
Net cash used in investing activities	(10,376)	(3,151)
Financing activities:		
Net increase (decrease) in short-term borrowings	3,000	2,960
Proceeds from long-term borrowings	5,000	—
Repayments of long-term borrowings	(22)	(62)
Purchases of treasury stock	(2,006)	(2)
Payments of cash dividends	(595)	(588)
Proceeds from sale and lease-back transactions	—	1,655
Repayments of lease obligations	—	(86)
Others	15	—
Net cash provided by financing activities	5,390	3,875
Effect of exchange rate changes on cash and cash equivalents	1,238	(283)
Net increase (decrease) in cash and cash equivalents	(307)	7,772
Cash and cash equivalents at beginning of period	35,401	33,110
Cash and cash equivalents at end of period	35,094	40,883