

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

November 6, 2009

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

**Consolidated Results for
 the Six Months Ended September 30, 2009
 (April 1, 2009 – September 30, 2009)**

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

Overview of Operating Results

Item	Six months ended September 30, 2009		Six months ended September 30, 2008		Increase / (Decrease)	
	Amount	Share [%]	Amount	Share [%]	Amount	[%]
Net sales	94,996	100.0	109,462	100.0	(14,466)	(13.2)
Operating income	1,842	1.9	4,133	3.8	(2,291)	(55.4)
Ordinary income	121	0.1	5,258	4.8	(5,137)	(97.7)
Income (loss) before income taxes and minority interests	(829)	(0.9)	3,517	3.2	(4,346)	—
Net income (loss)	(1,420)	(1.5)	1,649	1.5	(3,070)	—

Net income (loss) per share [Yen]	(12.08)	13.95
Diluted net income per share [Yen]	—	12.94

R&D expenses	3,409	4,395	(985)	(22.4)
Capital investment	4,657	17,649	(12,992)	(73.6)
Depreciation expenses	11,675	13,448	(1,772)	(13.2)

Notes:

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

	As of September 30, 2009	As of March 31, 2009	Increase / (Decrease)	
			Amount	[%]
Total assets	230,130	225,451	4,678	2.1
Net assets	135,365	139,435	(4,070)	(2.9)
Equity ratio	58.6%	61.6%	(3.0) pt	—
Equity per share [Yen]	1,146.52	1,181.28	(34.76)	(2.9)

Net Sales by Product Segment

	Six months ended September 30, 2009		Six months ended September 30, 2008		Increase / (Decrease)	
	Amount	Share [%]	Amount	Share [%]	Amount	[%]
Capacitors	43,015	45.3	50,570	46.2	(7,554)	(14.9)
Ferrite and applied products	14,910	15.7	17,256	15.8	(2,345)	(13.6)
Modules	17,984	18.9	19,086	17.4	(1,102)	(5.8)
Optical media products	13,268	14.0	13,971	12.8	(702)	(5.0)
Other electronic components	5,816	6.1	8,578	7.8	(2,761)	(32.2)
Total	94,996	100.0	109,462	100.0	(14,466)	(13.2)

Consolidated Results for the six months ended September 30, 2009

November 6, 2009

1. Consolidated financial results for the period from April 1, 2009 to September 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	%
Six months ended September 30, 2009	94,996	(13.2)	1,842	(55.4)	121	(97.7)	(1,420)	—
Six months ended September 30, 2008	109,462	—	4,133	—	5,258	—	1,649	—

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2009	(12.08)	—
Six months ended September 30, 2008	13.95	12.94

Note: Although diluted shares exist for the period of six months ended September 30, 2009, diluted net income per share is 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 September 30, 2009	230,130	135,365	58.6	1,146.52
As of March 31, 2009	225,451	139,435	61.6	1,181.28

(Reference) Shareholder's equity As of September 30, 2009 134,853 million yen As of March 31, 2009 138,884 million yen

2. Dividend information

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

Note: No changes in the forecasted dividend during the six months ended September 30, 2009

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

(Percentages represent changes from 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
Year ending March 31, 2010	189,000	1.9	3,500	—	1,500	—	(1,500)	—	(12.75)

Note: There are changes in the forecasted results during the six months ended September 30, 2009.

4. Other

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

(2) Adoption of simplified accounting methods and specific accounting transactions 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 September 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 September 30, 2009	2,861,486 shares	As of March 31, 2009	2,910,398 shares
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c. Average number of common shares outstanding:

Six months ended September 30, 2009	117,599,189 shares	Six months ended September 30, 2008	118,265,506 shares
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Note: Forecast of operating results includes a number of assumptions based on information currently available and certain premises which are judged to be rational. Please note that the forecast 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 six months ended September 30, 2009 of the fiscal year ending March 31, 2010, despite signs that the trend toward large-scale inventory adjustments, induced by the rapid deterioration in the macro-economy since autumn 2008, had come to an end, and that the economic pump-priming measures implemented by various governments were providing the impetus for a positive turnaround, orders for such devices and equipment as personal computers, mobile phones and televisions declined compared with the corresponding period of the previous fiscal year.

Under these circumstances, Taiyo Yuden Co., Ltd. and its subsidiaries (together, the “Companies”) undertook specific measures across each of their four business segments. Brief details are presented as follows.

In Capacitors, the Companies placed considerable weight on efforts to bolster their business and operating structures. In specific terms, steps were mainly taken to promote productivity enhancements as the means to reduce input costs with respect to their mainstay multilayer product lineup. At the same time, the Companies worked diligently to expand sales by pursuing various initiatives including new market cultivation. In Ferrite and Applied Products, the Companies strove to increase 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 prowess of their lineup of Bluetooth[®], wireless LAN and other modules. And, in Optical Media Products, the Companies continued to improve productivity as well as quality while endeavoring to ensure the stable supply of highly reliable products together with further reductions in costs.

The Companies reported consolidated net sales of ¥94,996 million for the first two quarters of the fiscal year ending March 31, 2010. This was 13.2% lower than the level recorded in the corresponding period of the previous fiscal year. From a profit perspective, operating income was ¥1,842 million, a decrease of 55.4% year on year while ordinary income fell 97.7% to ¥121 million. The Companies reported a net loss for the six-month period ended September 30, 2009 of ¥1,420 million. This was compared with net income totaling ¥1,649 million for the corresponding period of the previous fiscal year.

The average foreign currency exchange rate for the period under review was US\$1:¥96.57. Accordingly, the value of the yen appreciated by ¥8.57 compared with the average foreign currency exchange rate of US\$1:¥105.14 for the corresponding period of the previous fiscal year.

Net sales information by product segment is presented as follows.

Capacitors

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

In the first two quarters of the fiscal year ending March 31, 2010, segment sales targeting components increased compared with the corresponding period of the previous fiscal year. This, however, was more than offset by the decline in segment sales for consumer products, information and communication equipment. As a result, capacitor sales contracted 14.9% year on year to ¥43,015 million.

Ferrite and Applied Products

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

In similar fashion to the capacitor segment, segment sales for components saw an upswing compared with the corresponding period of the previous fiscal year. This positive trend was negated by lower year-on-year consumer products, information and communication equipment application sales. Accounting for the aforementioned factors, ferrite and applied products sales declined 13.6% compared with the corresponding period of the previous fiscal year to ¥14,910 million.

Modules

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

For the six-month period ended September 30, 2009, sales of Bluetooth[®], wireless LAN modules as well as inverter modules for LCD television back lights decreased compared with the corresponding period of the previous fiscal year. On this basis, sales in this

product segment fell 5.8% year on year to ¥17,984 million.

Optical Media Products

In this product segment, the Companies are active in the manufacture and sale of CD-Rs, DVD-Rs / DVD+Rs as well as recordable Blu-ray Discs (BD-Rs).

In the period under review, sales of CD-Rs and DVD-Rs / DVD+Rs declined compared with the corresponding period of the previous fiscal year. As a result, optical media product segment sales contracted 5.0% year on year to ¥13,268 million.

Other Electronic Components

This product segment is made up of products that are not included in each of the aforementioned product segment groups as well as the business of subsidiary companies.

The vast majority of product segment sales came from the mounting business of a subsidiary company. Other electronic component segment sales declined 32.2% compared with the corresponding period of the previous fiscal year to ¥5,816 million.

2. Qualitative Information Concerning Consolidated Financial Condition

(1) Changes in Financial Condition

Total assets as of the end of the first two quarters of the fiscal year ending March 31, 2010, increased ¥4,678 million compared with the end of the previous fiscal year. Current assets climbed ¥12,798 million. This was mainly attributable to the upswing of ¥12,312 million in trade notes and accounts receivable. Fixed assets, on the other hand, contracted ¥8,119 million due largely to the drop of ¥8,812 million in the balance of property, plant and equipment.

Total liabilities as of September 30, 2009 rose ¥8,749 million compared with March 31, 2009. The principal movements were the increase in trade notes and accounts payable of ¥10,349 million, the decrease of ¥4,197 million in current portion of long-term borrowings and the upswing in long-term borrowings of ¥3,945 million.

Net assets as of the end of the period under review declined ¥4,070 million.

(2) Cash Flows

Net cash provided by operating activities for the first two quarters of the fiscal year ending March 31, 2010 amounted to ¥10,722 million an increase of 103.2% compared with the corresponding period of the previous fiscal year. Major cash outflows were loss before income taxes and minority interests of ¥829 million and the increase in trade receivables amounting to ¥13,936 million. This was more than offset by principal cash inflows comprising depreciation and amortization totaling ¥11,675 million and the increase in trade payables of ¥11,563 million.

Net cash used in investing activities for the period under review was ¥2,146 million, a drop of 86.8% compared with the corresponding period of the previous fiscal year. The largest component for the period was purchases of property, plant and equipment totaling ¥4,657 million.

Net cash used in financing activities for the six-month period ended September 30, 2009 amounted to ¥2,052 million. This was compared with net cash provided by financing activities totaling ¥8,642 million for the corresponding period of the previous fiscal year. Major movements included the net decrease in short-term borrowings of ¥2,700 million and proceeds from sale and lease-back transactions totaling ¥1,655 million.

Taking account of all of the aforementioned activities, cash and cash equivalents as of the end of the first two quarters of the fiscal year ending March 31, 2010 stood at ¥38,202 million. This was an increase of ¥5,091 million compared with the end of the previous fiscal year.

3. Qualitative Information Concerning Forecasts of Consolidated Operating Results

Taking into consideration the Companies' consolidated performance for the first two quarters of the fiscal year under review, Taiyo Yuden revised its consolidated operating results forecasts for the full fiscal year ending March 31, 2010, previously announced on August 6, 2009. For details and the revised figures, please refer to Taiyo Yuden's press release "Taiyo Yuden Revises Forecasts of Results," announced on November 6, 2009.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2009	As of March 31, 2009
ASSETS		
Current assets:		
Cash and deposits	39,655	37,105
Trade notes and accounts receivable	45,097	32,784
Finished products	10,998	10,629
Work in process	7,808	9,474
Raw materials and supplies	10,343	10,180
Other	6,008	6,841
Allowance for doubtful receivables	(287)	(191)
Total current assets	119,623	106,825
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	62,796	63,218
Machinery and equipment	181,425	184,245
Tools, furniture and fixtures	17,845	18,514
Land	7,820	7,853
Construction in progress	4,600	6,471
Accumulated depreciation	(176,624)	(173,627)
Net property, plant and equipment	97,864	106,676
Intangible fixed assets:		
Goodwill	609	731
Other	549	600
Total intangible fixed assets	1,159	1,332
Investments and other assets:		
Investment securities	4,841	3,510
Other	6,946	7,403
Allowance for doubtful receivables	(304)	(296)
Total investments and other assets	11,482	10,616
Total fixed assets	110,506	118,625
Total assets	230,130	225,451

(Millions of yen)

	As of September 30, 2009	As of March 31, 2009
LIABILITIES		
Current liabilities:		
Trade notes and accounts payable	18,180	7,831
Short-term borrowings	11,023	13,868
Current portion of long-term borrowings	2,727	6,924
Income taxes payable	1,479	1,328
Accrued bonuses for employees	1,300	1,021
Other	9,268	9,353
Total current liabilities	43,980	40,327
Long-term liabilities:		
Convertible bonds with stock acquisition rights	20,000	20,000
Long-term borrowings	24,061	20,115
Accrued retirement benefits for employees	1,610	1,515
Accrued retirement benefits for directors and corporate auditors	124	116
Negative goodwill	106	120
Other	4,881	3,819
Total long-term liabilities	50,784	45,687
Total liabilities	94,765	86,015
NET ASSETS		
Shareholders' equity:		
Common stock	23,557	23,557
Capital surplus	41,471	41,450
Retained earnings	95,824	97,840
Treasury stock	(3,580)	(3,643)
Total shareholders' equity	157,272	159,204
Valuation, translation adjustments and others:		
Net unrealized holding gains (losses) on securities	389	(550)
Deferred gains (losses) on hedges	43	(6)
Foreign currency translation adjustments	(22,851)	(19,762)
Total valuation, translation adjustments and others	(22,419)	(20,320)
Stock acquisition rights	248	303
Minority interests	263	247
Total net assets	135,365	139,435
Total liabilities and net assets	230,130	225,451

(2) Consolidated Statements of Operations
Six months ended September 30, 2009

(Millions of yen)

	Six months ended September 30, 2008	Six months ended September 30, 2009
Net sales	109,462	94,996
Cost of sales	87,269	78,099
Gross profit	22,193	16,896
Selling, general and administrative expenses	18,059	15,054
Operating income	4,133	1,842
Non-operating income:		
Interest income	363	138
Dividend income	103	30
Equity in earnings of affiliates	51	0
Gain on foreign exchange	732	—
Subsidies	—	146
Other	308	121
Total non-operating income	1,559	437
Non-operating expenses:		
Interest expense	270	321
Loss on foreign exchange	—	1,627
Other	164	208
Total non-operating expenses	434	2,157
Ordinary income	5,258	121
Extraordinary gains:		
Gain on sales of property, plant and equipment	4,054	52
Subsidy income	1,057	—
Other	2	—
Total extraordinary gains	5,114	52
Extraordinary losses:		
Loss on disposal and sales of property, plant and equipment	285	184
Loss on devaluation of inventories	1,539	—
Loss on disposal of inventories	—	623
Loss on devaluation of investment securities	1,123	—
Settlement package	3,489	—
Other	418	195
Total extraordinary losses	6,856	1,003
Income (loss) before income taxes and minority interests	3,517	(829)
Income taxes—current	1,525	1,162
Income taxes—deferred	334	(587)
Total income taxes	1,860	575
Minority interests	6	15
Net income (loss)	1,649	(1,420)

Three months ended September 30, 2009

(Millions of yen)

	Three months ended September 30, 2008	Three months ended September 30, 2009
Net sales	58,180	52,408
Cost of sales	46,791	41,733
Gross profit	11,389	10,675
Selling, general and administrative expenses	9,131	7,628
Operating income	2,257	3,046
Non-operating income:		
Interest income	163	69
Dividend income	60	8
Equity in earnings of affiliates	50	—
Gain on foreign exchange	283	—
Subsidies	—	49
Other	115	60
Total non-operating income	673	187
Non-operating expenses:		
Interest expense	152	161
Equity in earnings of affiliates	—	0
Loss on foreign exchange	—	951
Other	87	135
Total non-operating expenses	239	1,248
Ordinary income	2,691	1,986
Extraordinary gains:		
Gain on sales of property, plant and equipment	4,050	28
Total extraordinary gains	4,050	28
Extraordinary losses:		
Loss on disposal and sales of property, plant and equipment	185	138
Loss on disposal of inventories	—	623
Loss on devaluation of investment securities	1,123	—
Settlement package	3,489	—
Other	395	188
Total extraordinary losses	5,194	950
Income before income taxes and minority interests	1,547	1,065
Income taxes—current	900	522
Income taxes—deferred	(98)	(522)
Total income taxes	802	(0)
Minority interests	(1)	18
Net income	745	1,047

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2008	Six months ended September 30, 2009
Operating activities:		
Income (loss) before income taxes and minority interests	3,517	(829)
Depreciation and amortization	13,448	11,675
Amortization of goodwill	121	121
Amortization of negative goodwill	—	(13)
Increase (decrease) in allowance for doubtful receivables	320	114
Increase (decrease) in accrued bonuses for employees	(35)	283
Increase (decrease) in accrued bonuses for directors and corporate auditors	(70)	—
Increase (decrease) in accrued retirement benefits for directors and corporate auditors	(5)	3
Interest and dividend income	(466)	(168)
Interest expense	270	321
Equity in earnings of affiliate	(51)	(0)
(Gain) loss on disposal and sales of property, plant and equipment	(3,769)	131
Loss on devaluation of investment securities	1,123	—
Settlement package	3,489	—
(Increase) decrease in trade receivables	(4,426)	(13,936)
(Increase) decrease in inventories	(3,975)	675
Increase (decrease) in trade payables	(1,644)	11,563
Others	(140)	1,209
Subtotal	7,704	11,150
Interest and dividends received	529	197
Interest paid	(269)	(313)
Income taxes (paid) refund	(2,687)	(312)
Net cash provided by operating activities	5,276	10,722
Investing activities:		
(Increase) decrease in time deposits	(1,484)	2,606
Purchases of property, plant and equipment	(17,649)	(4,657)
Proceeds from sales of property, plant and equipment	3,509	176
Purchases of investment securities	(684)	(340)
Others	23	67
Net cash used in investing activities	(16,286)	(2,146)
Financing activities:		
Net increase (decrease) in short-term borrowings	8,000	(2,700)
Proceeds from long-term borrowings	10,000	6,000
Repayments of long-term borrowings	(40)	(6,251)
Redemption of convertible bonds	(6,703)	—
Purchases of treasury stock	(2,028)	(6)
Payments of cash dividends	(595)	(585)
Proceeds from sale and lease-back transactions	—	1,655
Repayments of lease obligations	—	(164)
Others	9	0
Net cash provided by financing activities	8,642	(2,052)
Effect of exchange rate changes on cash and cash equivalents	(76)	(1,431)
Net increase (decrease) in cash and cash equivalents	(2,443)	5,091
Cash and cash equivalents at beginning of period	35,401	33,110
Cash and cash equivalents at end of period	32,957	38,202

5. Other Information

Net Sales by Product Segment

Six months ended September 30, 2009

(Millions of yen)

	Six months ended September 30, 2008			Six months ended September 30, 2009		
	Amount	Share	[%]	Amount	Share	[%]
Capacitors	50,570		46.2	43,015		45.3
Ferrite and applied products	17,256		15.8	14,910		15.7
Modules	19,086		17.4	17,984		18.9
Optical media products	13,971		12.8	13,268		14.0
Other electronic products	8,578		7.8	5,816		6.1
Total	109,462		100.0	94,996		100.0

Three months ended September 30, 2009

(Millions of yen)

	Three months ended September 30, 2008			Three months ended September 30, 2009		
	Amount	Share	[%]	Amount	Share	[%]
Capacitors	27,215		46.8	24,405		46.6
Ferrite and applied products	9,124		15.7	8,092		15.4
Modules	10,509		18.1	10,190		19.4
Optical media products	7,308		12.5	6,585		12.6
Other electronic products	4,022		6.9	3,134		6.0
Total	58,180		100.0	52,408		100.0