

This document is provided for the convenience of investors and includes excerpts from the Company's earnings report for the nine months ended December 31, 2009 filed with the Tokyo Stock Exchange on February 9, 2010.

February 9, 2010

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 Listing exchange: Tokyo Stock Exchange (Code Number: 6976)

**Consolidated Results for  
 the Nine Months Ended December 31, 2009  
 (April 1, 2009 – December 31, 2009)**

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

**Overview of Operating Results**

Item	Nine months ended December 31, 2009		Nine months ended December 31, 2008		Increase / (Decrease)	
	Amount	Share [%]	Amount	Share [%]	Amount	[%]
Net sales	147,584	100.0	154,944	100.0	(7,359)	(4.7)
Operating income	4,381	3.0	(200)	(0.1)	4,582	—
Ordinary income	2,589	1.8	(170)	(0.1)	2,759	—
Income (loss) before income taxes and minority interests	1,473	1.0	(2,655)	(1.7)	4,129	—
Net income (loss)	142	0.1	(4,647)	(3.0)	4,789	—

Net income (loss) per share [Yen]	1.21	(39.37)
Diluted net income per share [Yen]	1.15	—

R&D expenses	5,532	6,543	(1,010)	(15.4)
Capital investment	6,841	23,444	(16,602)	(70.8)
Depreciation expenses	17,600	20,553	(2,953)	(14.4)

Notes:

- Share data is computed as a ratio of net sales.
- Although diluted shares exist for the period of nine months ended December 31, 2008, diluted net income per share is not calculated since there is net loss per share for the period.

	As of December 31, 2009	As of March 31, 2009	Increase / (Decrease)	
			Amount	[%]
Total assets	230,951	225,451	5,500	2.4
Net assets	138,035	139,435	(1,400)	(1.0)
Equity ratio	59.5%	61.6%	(2.1) pt	—
Net assets per share [Yen]	1,169.21	1,181.28	(12.07)	(1.0)

**Net Sales by Product Segment**

Item	Nine months ended December 31, 2009		Nine months ended December 31, 2008		Increase / (Decrease)	
	Amount	Share [%]	Amount	Share [%]	Amount	[%]
Capacitors	66,993	45.4	67,728	43.7	(734)	(1.1)
Ferrite and applied products	22,372	15.2	23,765	15.3	(1,393)	(5.9)
Modules	27,936	18.9	28,070	18.1	(133)	(0.5)
Optical media products	20,985	14.2	24,120	15.6	(3,135)	(13.0)
Other electronic components	9,296	6.3	11,258	7.3	(1,961)	(17.4)
Total	147,584	100.0	154,944	100.0	(7,359)	(4.7)

# Consolidated Results for the nine months ended December 31, 2009

February 9, 2010

## 1. Consolidated financial results for the period from April 1, 2009 to December 31, 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	%
Nine months ended December 31, 2009	147,584	(4.7)	4,381	—	2,589	—	142	—
Nine months ended December 31, 2008	154,944	—	(200)	—	(170)	—	(4,647)	—

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2009	1.21	1.15
Nine months ended December 31, 2008	(39.37)	—

Note: Although diluted shares exist for the period of nine months ended December 31, 2008, 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	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2009	230,951	138,035	59.5	1,169.21
As of March 31, 2009	225,451	139,435	61.6	1,181.28

(Reference) Shareholder's equity As of December 31, 2009 137,518 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 third quarter ended December 31, 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	194,000	4.6	4,500	—	2,500	—	(1,000)	—	(8.50)

Note: There are changes in the forecasted results during the third quarter ended December 31, 2009.

4. Other

(1) Changes in principal subsidiaries during the nine months ended December 31, 2009: No

(2) Adoption of simplified accounting methods and specific accounting procedures 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 December 31, 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 December 31, 2009	2,864,570 shares	As of March 31, 2009	2,910,398 shares
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c. Average number of common shares outstanding:

Nine months ended December 31, 2009	117,605,032 shares	Nine months ended December 31, 2008	118,062,743 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 nine months ended December 31, 2009 of the fiscal year ending March 31, 2010, operating conditions throughout the markets in which Taiyo Yuden Co., Ltd. and its subsidiaries (together, the “Companies”) operate entered a recovery trend. This was due to a variety of factors including the conclusion of a round of large-scale inventory adjustments, induced by the rapid deterioration in the macro-economy since autumn 2008, and the positive effects of economic pump-priming measures implemented by various governments. As a result, demand for components during the period under review exceeded those levels recorded during the corresponding period of the previous fiscal year. Turning to such devices and equipment as personal computers, mobile phones and televisions, on the other hand, demand declined year on year.

Under these circumstances, 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<sup>®</sup>, 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.

Consolidated net sales for the nine-month period ended December 31, 2009 amounted to ¥147,584 million. This was 4.7% lower than the level recorded in the corresponding period of the previous fiscal year. From a profit perspective, operating income was ¥4,381 million compared with an operating loss of ¥200 million for the nine-month period ended December 31, 2008. The Companies also reported ordinary income and net income of ¥2,589 million and ¥142 million, respectively, for the nine months ended December 31, 2009 against an ordinary loss and net loss of ¥170 million and ¥4,647 million, respectively, in the corresponding period of the previous fiscal year.

The average foreign currency exchange rate for the period under review was US\$1:¥94.51. Accordingly, the value of the yen appreciated by ¥9.39 compared with the average foreign currency exchange rate of US\$1:¥103.90 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 nine-month period ended December 31, 2009, 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 such consumer products as televisions and digital cameras as well as for communication equipment including mobile phones. Accounting for the aforementioned factors, capacitor sales contracted 1.1% compared with the corresponding period of the previous fiscal year to ¥66,993 million.

#### *Ferrite and Applied Products*

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

Segment sales for components for the nine months ended December 31, 2009 saw an upswing compared with the corresponding period of the previous fiscal year. This positive trend was negated, on the other hand, by lower year-on-year segment sales for consumer products as well as for communication equipment. As a result, ferrite and applied products sales declined 5.9% compared with the corresponding period of the previous fiscal year to ¥22,372 million.

#### *Modules*

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

For the nine-month period ended December 31, 2009, sales of inverter modules for LCD television back lights increased compared with the corresponding period of the previous fiscal year. In contrast, sales of Bluetooth<sup>®</sup> and wireless LAN modules declined. On this basis, sales in this segment edged down 0.5% compared with the corresponding period of the previous fiscal year to ¥27,936 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 decreased compared with the corresponding period of the previous fiscal year. Taking into consideration the aforementioned, segments sales fell 13.0% year on year to ¥20,985 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.

Other electronic component segment sales primarily come from the mounting business of a subsidiary company. For the nine-month period ended December 31, 2009, sales in

this segment contracted 17.4% compared with the corresponding period of the previous fiscal year to ¥9,296 million.

## **2. Qualitative Information Concerning Consolidated Financial Condition**

### **(1) Changes in Financial Condition**

Total assets as of the end of the third quarter of the fiscal year ending March 31, 2010 increased ¥5,500 million compared with the end of the previous fiscal year. Current assets climbed ¥17,227 million. This was mainly attributable to upswing of ¥14,591 million in trade notes and accounts receivable. Fixed assets, on the other hand, declined ¥11,727 million due largely to the drop of ¥12,385 million in the balance of property, plant and equipment.

Total liabilities as of December 31, 2009 rose ¥6,900 million. The principal movements were the increase in trade notes and accounts payable of ¥10,405 million and the decrease of ¥5,110 million in short-term borrowings.

Net assets as of the end of the period under review declined ¥1,400 million.

### **(2) Cash Flows**

Net cash provided by operating activities for the nine-month period ended December 31, 2009 amounted to ¥17,756 million, an increase of 167.8% compared with the corresponding period of the previous fiscal year. Major cash inflows were income before income taxes and minority interests of ¥1,473 million, depreciation and amortization of ¥17,600 million and the increase in trade payables of ¥10,691 million. Principal cash outflow was the increase in trade receivables amounting to ¥14,958 million.

Net cash used in investing activities for the period under review totaled ¥4,193 million, a drop of 79.1% compared with the corresponding period of the previous fiscal year. The largest component for the period was purchases of property, plant and equipment of ¥6,841 million.

Net cash used in financing activities for the nine months ended December 31, 2009 amounted to ¥5,319 million. This was compared with net cash provided by financing activities of ¥13,895 million for the corresponding period of the previous fiscal year. Major movements included the net decrease in short-term borrowings of ¥5,019 million and proceeds from sale and lease-back transactions totaling ¥1,655 million.

Taking into account all of the aforementioned activities, cash and cash equivalents as of December 31, 2009 stood at ¥40,453 million. This was an increase of ¥7,342 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 nine-month period ended December 31, 2009, Taiyo Yuden revised its consolidated operating results forecasts for the full fiscal year ending March 31, 2010, previously announced

on November 6, 2009. For details and the revised figures, please refer to Taiyo Yuden's press release "Taiyo Yuden Revises Forecasts of Results," announced on February 9, 2010.

## 4. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2009	As of March 31, 2009
<b>ASSETS</b>		
Current assets:		
Cash and deposits	41,746	37,105
Trade notes and accounts receivable	47,376	32,784
Finished products	10,711	10,629
Work in process	7,861	9,474
Raw materials and supplies	10,486	10,180
Other	6,108	6,841
Allowance for doubtful receivables	(238)	(191)
Total current assets	124,052	106,825
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	63,409	63,218
Machinery and equipment	183,226	184,245
Tools, furniture and fixtures	18,283	18,514
Land	7,823	7,853
Construction in progress	4,597	6,471
Accumulated depreciation	(183,048)	(173,627)
Net property, plant and equipment	94,291	106,676
Intangible fixed assets:		
Goodwill	548	731
Other	560	600
Total intangible fixed assets	1,108	1,332
Investments and other assets:		
Investment securities	4,792	3,510
Other	7,017	7,403
Allowance for doubtful receivables	(311)	(296)
Total investments and other assets	11,498	10,616
Total fixed assets	106,898	118,625
Total assets	230,951	225,451

(Millions of yen)

	As of December 31, 2009	As of March 31, 2009
<b>LIABILITIES</b>		
Current liabilities:		
Trade notes and accounts payable	18,237	7,831
Short-term borrowings	8,757	13,868
Current portion of long-term borrowings	3,025	6,924
Income taxes payable	1,713	1,328
Accrued bonuses for employees	980	1,021
Other	9,870	9,353
<b>Total current liabilities</b>	<b>42,584</b>	<b>40,327</b>
Long-term liabilities:		
Convertible bonds with stock acquisition rights	20,000	20,000
Long-term borrowings	23,488	20,115
Accrued retirement benefits for employees	1,731	1,515
Accrued retirement benefits for directors and corporate auditors	128	116
Negative goodwill	73	120
Other	4,909	3,819
<b>Total long-term liabilities</b>	<b>50,331</b>	<b>45,687</b>
<b>Total liabilities</b>	<b>92,915</b>	<b>86,015</b>
<b>NET ASSETS</b>		
Shareholders' equity:		
Common stock	23,557	23,557
Capital surplus	41,471	41,450
Retained earnings	96,809	97,840
Treasury stock	(3,583)	(3,643)
<b>Total shareholders' equity</b>	<b>158,254</b>	<b>159,204</b>
Valuation, translation adjustments and others:		
Net unrealized holding gains (losses) on securities	410	(550)
Deferred gains (losses) on hedges	(76)	(6)
Foreign currency translation adjustments	(21,069)	(19,762)
<b>Total valuation, translation adjustments and others</b>	<b>(20,736)</b>	<b>(20,320)</b>
Stock acquisition rights	248	303
Minority interests	269	247
<b>Total net assets</b>	<b>138,035</b>	<b>139,435</b>
<b>Total liabilities and net assets</b>	<b>230,951</b>	<b>225,451</b>

(2) Consolidated Statements of Operations  
 Nine months ended December 31, 2009

(Millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009
Net sales	154,944	147,584
Cost of sales	128,192	119,464
Gross profit	26,751	28,120
Selling, general and administrative expenses	26,951	23,738
Operating income (loss)	(200)	4,381
Non-operating income:		
Interest income	527	190
Dividend income	134	49
Equity in earnings of affiliates	97	10
Subsidies	—	153
Other	429	163
Total non-operating income	1,189	568
Non-operating expenses:		
Interest expense	456	471
Loss on foreign exchange	327	1,625
Other	374	263
Total non-operating expenses	1,159	2,361
Ordinary income (loss)	(170)	2,589
Extraordinary gains:		
Gain on prior period adjustment	—	41
Gain on sales of property, plant and equipment	3,932	63
Subsidy income	1,092	—
Other	4	5
Total extraordinary gains	5,028	110
Extraordinary losses:		
Loss on disposal and sales of property, plant and equipment	460	375
Loss on devaluation of inventories	1,539	—
Loss on disposal of inventories	—	625
Loss on devaluation of investment securities	1,433	—
Settlement package	3,569	—
Other	512	224
Total extraordinary losses	7,514	1,225
Income (loss) before income taxes and minority interests	(2,655)	1,473
Income taxes—current	2,029	1,670
Income taxes—deferred	61	(360)
Total income taxes	2,090	1,309
Minority interests in income (loss)	(98)	21
Net income (loss)	(4,647)	142

Three months ended December 31, 2009

(Millions of yen)

	Three months ended December 31, 2008	Three months ended December 31, 2009
Net sales	45,481	52,588
Cost of sales	40,923	41,364
Gross profit	4,557	11,223
Selling, general and administrative expenses	8,891	8,684
Operating income (loss)	(4,333)	2,539
Non-operating income:		
Interest income	164	51
Dividend income	31	19
Equity in earnings of affiliates	46	10
Gain on foreign exchange	—	2
Other	120	49
Total non-operating income	362	133
Non-operating expenses:		
Interest expense	186	150
Loss on foreign exchange	1,060	—
Other	210	54
Total non-operating expenses	1,457	205
Ordinary income (loss)	(5,428)	2,467
Extraordinary gains:		
Gain on prior period adjustment	—	41
Gain on sales of property, plant and equipment	(122)	10
Subsidy income	34	—
Other	2	5
Total extraordinary gains	(86)	57
Extraordinary losses:		
Loss on disposal and sales of property, plant and equipment	175	191
Loss on devaluation of investment securities	309	—
Settlement package	79	—
Other	94	31
Total extraordinary losses	658	222
Income (loss) before income taxes and minority interests	(6,172)	2,302
Income taxes—current	503	507
Income taxes—deferred	(273)	226
Total income taxes	229	734
Minority interests in income (loss)	(105)	5
Net income (loss)	(6,297)	1,562

## (3) Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009
<b>Operating activities:</b>		
Income (loss) before income taxes and minority interests	(2,655)	1,473
Depreciation and amortization	20,553	17,600
Amortization of goodwill	176	182
Amortization of negative goodwill	—	(20)
Increase (decrease) in allowance for doubtful receivables	278	64
Increase (decrease) in accrued bonuses for employees	(1,887)	(47)
Increase (decrease) in accrued bonuses for directors and corporate auditors	(82)	—
Increase (decrease) in accrued retirement benefits for directors and corporate auditors	(5)	5
Interest and dividend income	(662)	(239)
Interest expense	456	471
Equity in earnings of affiliate	(97)	(10)
(Gain) loss on disposal and sales of property, plant and equipment	(3,471)	312
Loss on devaluation of investment securities	1,433	—
Settlement package	3,569	—
(Increase) decrease in trade receivables	8,552	(14,958)
(Increase) decrease in inventories	(2,866)	1,099
Increase (decrease) in trade payables	(9,533)	10,691
Other	(1,100)	1,936
Subtotal	12,655	18,560
Interest and dividends received	643	261
Interest paid	(453)	(441)
Settlement package paid	(2,627)	—
Income taxes (paid) refunded	(3,587)	(624)
Net cash provided by operating activities	6,631	17,756
<b>Investing activities:</b>		
(Increase) decrease in time deposits	(511)	2,791
Purchases of property, plant and equipment	(23,444)	(6,841)
Proceeds from sales of property, plant and equipment	3,373	162
Purchases of investment securities	(703)	(340)
Proceeds from purchases of investments in subsidiaries resulting in change in scope of consolidation	1,218	—
Other	48	34
Net cash used in investing activities	(20,018)	(4,193)
<b>Financing activities:</b>		
Net increase (decrease) in short-term borrowings	11,337	(5,019)
Proceeds from long-term borrowings	12,500	6,000
Repayments of long-term borrowings	(40)	(6,526)
Redemption of convertible bonds	(6,703)	—
Proceeds from stock issuance to minority shareholders	12	—
Purchases of treasury stock	(2,035)	(10)
Payments of cash dividends	(1,183)	(1,174)
Proceeds from sale and lease-back transactions	—	1,655
Repayments of lease obligations	—	(243)
Other	8	0
Net cash provided (used) by financing activities	13,895	(5,319)
Effect of exchange rate changes on cash and cash equivalents	(3,482)	(900)
Net increase (decrease) in cash and cash equivalents	(2,974)	7,342
Cash and cash equivalents at beginning of period	35,401	33,110
Cash and cash equivalents at end of period	32,427	40,453

## 5. Other Information

### Net Sales by Product Segment

Nine months ended December 31, 2009

(Millions of yen)

	Nine months ended December 31, 2008			Nine months ended December 31, 2009		
	Amount	Share	[%]	Amount	Share	[%]
Capacitors	67,728		43.7	66,993		45.4
Ferrite and applied products	23,765		15.3	22,372		15.2
Modules	28,070		18.1	27,936		18.9
Optical media products	24,120		15.6	20,985		14.2
Other electronic products	11,258		7.3	9,296		6.3
Total	154,944		100.0	147,584		100.0

Three months ended December 31, 2009

(Millions of yen)

	Three months ended December 31, 2008			Three months ended December 31, 2009		
	Amount	Share	[%]	Amount	Share	[%]
Capacitors	17,158		37.7	23,978		45.6
Ferrite and applied products	6,509		14.3	7,461		14.2
Modules	8,983		19.8	9,952		18.9
Optical media products	10,149		22.3	7,716		14.7
Other electronic products	2,680		5.9	3,479		6.6
Total	45,481		100.0	52,588		100.0