

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, 2010 filed with the Tokyo Stock Exchange on August 4, 2010.

August 4, 2010

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

**Consolidated Results for  
 the Three Months Ended June 30, 2010  
 (April 1, 2010 – June 30, 2010)**

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

**Overview of Operating Results**

Item	Three months ended June 30, 2010		Three months ended June 30, 2009		Increase / (Decrease)	
	Amount	Share [%]	Amount	Share [%]	Amount	[%]
Net sales	54,948	100.0	42,587	100.0	(12,361)	29.0
Operating income (loss)	3,760	6.8	(1,204)	(2.8)	4,965	—
Ordinary income (loss)	3,467	6.3	(1,865)	(4.4)	5,332	—
Income (loss) before income taxes and minority interests	4,374	8.0	(1,894)	(4.4)	6,269	—
Net income (loss)	3,575	6.5	(2,467)	(5.8)	6,043	—

Net income (loss) per share [Yen]	30.40	(20.99)
Diluted net income per share [Yen]	29.05	—

R&D expenses	2,034	1,699	335	19.7
Capital investment	3,803	2,727	1,075	39.4
Depreciation expenses	4,838	5,779	(940)	(16.3)

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 is not calculated since there is net loss per share for the period.

	As of June 30, 2010	As of March 31, 2010	Increase / (Decrease)	
			Amount	[%]
Total assets	236,603	236,361	241	0.1
Net assets	136,332	139,263	(2,630)	(1.9)
Equity ratio	57.5%	58.7%	(1.2) pt	—
Net assets per share [Yen]	1,157.41	1,179.82	(22.41)	(1.9)

**Net Sales by Product Segment**

Product segment	Three months ended June 30, 2010	
	Amount	Share [%]
Capacitors	26,689	48.6
Ferrite and applied products	8,190	14.9
Modules	8,848	16.1
Other electronic components	3,960	7.2
Electronic components	47,688	86.8
Optical media products	5,550	10.1
Others	1,709	3.1
Optical media and other products	7,260	13.2
Total	54,948	100.0

# Consolidated Results for the three months ended June 30, 2010

August 4, 2010

Preparation of supplementary materials for the quarterly financial results: Yes

Holding of presentation of quarterly financial results: Yes (For institutional investors  
and investment analysts)

## 1. Consolidated financial results for the period from April 1, 2010 to June 30, 2010

(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, 2010	54,948	29.0	3,760	—	3,467	—	3,575	—
Three months ended June 30, 2009	42,587	(17.0)	(1,204)	—	(1,865)	—	(2,467)	—

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2010	30.40	29.05
Three months ended June 30, 2009	(20.99)	—

Note: Although diluted shares exist for the period of three months ended June 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	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2010	236,603	136,632	57.5	1,157.41
As of March 31, 2010	236,361	139,263	58.7	1,179.82

(Reference) Shareholder's equity As of June 30, 2010 136,117 million yen As of March 31, 2010 138,758 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, 2010	—	5.00	—	5.00	10.00
Year ending March 31, 2011	—				
Year ending March 31, 2011 (forecast)		5.00	—	5.00	10.00

Note: No changes in the forecasted dividend during the first quarter ended June 30, 2010.

## 3. Forecasts of operating results for the period from April 1, 2010 to March 31, 2011.

(Percentages represent changes from 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, 2010	115,000	21.1	9,000	388.5	8,000	—	4,500	—	38.26
Year ending March 31, 2011	225,000	15.0	15,500	268.7	14,000	612.0	8,000	—	68.02

Note: There are changes in the forecasted results during the first quarter ended June 30, 2010.

#### 4. Other

(1) Changes in principal subsidiaries during the three months ended June 30, 2010: No

(2) Adoption of simplified accounting method 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: Yes

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, 2010	120,481,395 shares	As of March 31, 2010	120,481,395 shares
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b. Number of treasury stock:

As of June 30, 2010	2,876,288 shares	As of March 31, 2010	2,871,429 shares
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c. Average number of common shares outstanding:

Three months ended June 30, 2010	117,607,064 shares	Three months ended June 30, 2009	117,582,859 shares
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#### Items regarding the implementation of quarterly review procedures

This summary of quarterly consolidated results is exempt from the quarterly review procedures based on the Financial Instruments and Exchange Act. Review procedures for the quarterly financial statements based on the Financial Instruments and Exchange Act had not been completed at the time of disclosure of this summary of quarterly consolidated results.

#### Notes regarding use of forecasts of results and other matters

Forecasts of operating results include a number of assumptions based on information currently available and certain premises which are 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 2011, the fiscal year ending March 31, 2011, operating conditions throughout the markets in which TAIYO YUDEN CO., LTD. and its subsidiaries (together the “Companies”) conduct business were firm. This positive environment was largely driven by economic growth in newly developing countries beginning with China. As a result, orders for device and component application increased across the board with year-on-year upswings for communication equipment, information equipment and consumer products.

Under these circumstances, the Companies undertook the following activities.

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 took steps to strengthen their *Bluetooth*<sup>®</sup> and wireless LAN combination modules while at the same time actively advancing promotions. In Other Electronic Components the Companies secured steady progress in accommodating the acquisition of an SAW/FBAR device business at the end of the previous fiscal year as well as changes to commercial distribution. 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 three-month period ended June 30, 2010 amounted to ¥54,948 million, an increase of 29.0% compared with the corresponding period of the previous fiscal year. From a profit perspective, operating income was ¥3,760 million compared with an operating loss of ¥1,204 million for the three-month period ended June 30, 2009. The Companies also reported ordinary income and net income of ¥3,467 million and ¥3,575 million, respectively, for the three months ended June 30, 2010 against an ordinary loss and net loss of ¥1,865 million and ¥2,467 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:¥91.89. Accordingly, the value of the yen appreciated by ¥5.91 compared with the average foreign currency exchange rate of US\$1:¥97.80 for the corresponding period of the previous fiscal year.

Net sales information by product segment is presented as follows.

#### *Electronic components* *Capacitors*

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

In the three-month period ended June 30, 2010, segment sales increased across all applications, compared with the corresponding period of the previous fiscal year, to ¥26,689 million.

#### *Ferrite and Applied Products*

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

Segment sales for the three months ended June 30, 2010 were ¥8,190 million. Despite a slight year-on-year decline in sales for consumer products, this was largely attributable to increased product sales for information equipment, communication equipment and components.

#### *Modules*

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

For the three-month period ended June 30, 2010, sales of inverter modules for LCD TV back lights increased compared with the corresponding period of the previous fiscal year, to ¥8,848 million.

#### *Other electronic components*

This segment is made up of electronic components not included in the aforementioned segments.

The principal items within this segment include such SAW/FBAR devices as SAW filters. Sales for the first quarter of the fiscal year under review amounted to ¥3,960 million.

#### *Optical media and other products*

##### *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 to ¥5,550 million.

#### *Others*

Sales in this segment primarily come from the mounting business of a subsidiary company. For the three-month period ended June 30, 2010, sales in this segment was ¥1,709 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, 2011 increased ¥241 million compared with the end of the previous fiscal year. Current assets climbed ¥1,518 million. This was mainly attributable to upswing of ¥2,174 million in cash and deposits. Fixed assets, on the other hand, declined ¥1,276 million due largely to the drop of ¥797 million in the balance of property, plant and equipment.

Total liabilities as of June 30, 2010 rose ¥2,872 million. The principal movements were the increase in trade notes and accounts payable of ¥2,731 million.

Net assets as of the end of the period under review declined ¥2,630 million.

#### (2) Cash Flows

Net cash provided by operating activities for the three-month period ended June 30, 2010 amounted to ¥8,035 million, an increase of 9.6% compared with the corresponding period of the previous fiscal year. Major cash inflows were income before income taxes and minority interests of ¥4,374 million, depreciation and amortization of ¥4,838 million, the increase in trade receivables of 2,253 million and the increase in trade payables of ¥5,150 million.

Net cash used in investing activities for the period under review totaled ¥3,046 million, a drop of 3.4% compared with the corresponding period of the previous fiscal year. The largest component for the period was purchases of property, plant and equipment of ¥3,803 million.

Net cash used in financing activities for the three months ended June 30, 2010 amounted to ¥1,565 million. This was compared with net cash provided by financing activities of ¥3,875 million for the corresponding period of the previous fiscal year. Major movements included repayments of long-term borrowings of ¥572 million and payments of cash dividends totaling ¥589 million.

Taking into account all of the aforementioned activities, cash and cash equivalents as of June 30, 2010 stood at ¥42,498 million. This was an increase of ¥2,046 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 three-month period ended June 30, 2010, Taiyo Yuden revised its consolidated operating results forecasts for the six-month period ending September 30, 2010 and the full fiscal year ending March 31, 2011, previously announced on May 13, 2010. For details and the revised figures, please refer to Taiyo Yuden's press release "Taiyo Yuden Revises Forecasts of Results," announced on August 4, 2010.

## 4. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010
<b>ASSETS</b>		
Current assets:		
Cash and deposits	43,960	41,785
Trade notes and accounts receivable	47,859	48,698
Finished products	11,450	10,842
Work in process	8,138	8,148
Raw materials and supplies	10,076	9,651
Other	6,660	7,526
Allowance for doubtful receivables	(240)	(266)
Total current assets	127,904	126,386
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	63,394	64,511
Machinery and equipment	190,194	193,309
Tools, furniture and fixtures	18,274	18,429
Land	7,792	7,799
Construction in progress	7,998	5,655
Accumulated depreciation	(193,912)	(195,166)
Net property, plant and equipment	93,740	94,537
Intangible fixed assets:		
Goodwill	3,279	3,490
Other	748	742
Total intangible fixed assets	4,027	4,232
Investments and other assets:		
Investment securities	4,775	5,257
Other	6,420	6,257
Allowance for doubtful receivables	(265)	(310)
Total investments and other assets	10,930	11,205
Total fixed assets	108,698	109,975
Total assets	236,603	236,361

(Millions of yen)

As of June 30, 2010      As of March 31, 2010

<b>LIABILITIES</b>		
Current liabilities:		
Trade notes and accounts payable	21,274	18,543
Short-term borrowings	5,643	5,867
Current portion of long-term borrowings	8,061	4,061
Income taxes payable	1,400	1,564
Accrued bonuses for employees	1,419	2,720
Accrued bonuses for directors and corporate auditors	15	22
Other	15,793	12,792
Total current liabilities	53,608	45,573
Long-term liabilities:		
Convertible bonds with stock acquisition rights	20,000	20,000
Long-term borrowings	17,438	22,010
Accrued retirement benefits for employees	3,213	3,262
Accrued retirement benefits for directors and corporate auditors	129	136
Negative goodwill	67	72
Other	5,514	6,043
Total long-term liabilities	46,362	51,524
Total liabilities	99,970	97,098
<b>NET ASSETS</b>		
Shareholders' equity:		
Common stock	23,557	23,557
Capital surplus	41,471	41,471
Retained earnings	98,971	95,984
Treasury stock	(3,599)	(3,592)
Total shareholders' equity	160,400	157,420
Valuation, translation adjustments and others:		
Net unrealized holding gains (losses) on securities	369	695
Deferred gains (losses) on hedges	82	(96)
Foreign currency translation adjustments	(24,734)	(19,259)
Total valuation, translation adjustments and others	(24,282)	(18,661)
Stock acquisition rights	248	248
Minority interests	267	256
Total net assets	136,632	139,263
Total liabilities and net assets	236,603	236,361



## (2) Consolidated Statements of Operations

(Millions of yen)

	Three months ended June 30, 2009	Three months ended June 30, 2010
Net sales	42,587	54,948
Cost of sales	36,365	41,697
Gross profit	6,221	13,251
Selling, general and administrative expenses	7,426	9,491
Operating income (loss)	(1,204)	3,760
Non-operating income:		
Interest income	69	45
Dividend income	21	27
Equity in earnings of affiliates	0	9
Subsidies	97	-
Other	60	64
Total non-operating income	249	146
Non-operating expenses:		
Interest expense	160	123
Loss on foreign exchange	676	64
Depreciation of inactive noncurrent assets	-	233
Other	73	16
Total non-operating expenses	909	438
Ordinary income (loss)	(1,865)	3,467
Extraordinary gains:		
Gain on sales of property, plant and equipment	23	926
Other	-	96
Total extraordinary gains	23	1,023
Extraordinary losses:		
Loss on disposal and sales of property, plant and equipment	46	71
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	27
Other	6	17
Total extraordinary losses	53	116
Income (loss) before income taxes and minority interests	(1,894)	4,374
Income taxes – current	640	973
Income taxes – deferred	(64)	(185)
Total income taxes	575	788
Income before minority interests	-	3,586
Minority interests in income (loss)	(2)	11
Net income (loss)	(2,467)	3,575

## (3) Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2009	Three months ended June 30, 2010
<b>Operating activities:</b>		
Income (loss) before income taxes and minority interests	(1,894)	4,374
Depreciation and amortization	5,779	4,838
Amortization of goodwill	60	211
Amortization of negative goodwill	(6)	(5)
Increase (decrease) in allowance for doubtful receivables	25	(53)
Increase (decrease) in accrued bonuses for employees	(418)	(1,273)
Increase (decrease) in accrued bonuses for directors and corporate auditors	-	(9)
Increase (decrease) in accrued retirement benefits for directors and corporate auditors	0	1
Interest and dividend income	(90)	(72)
Interest expense	160	123
Equity in earnings of affiliate	(0)	(9)
(Gain) loss on disposal and sales of property, plant and equipment	22	(855)
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	27
(Increase) decrease in trade receivables	(4,954)	(2,253)
(Increase) decrease in inventories	5	(2,114)
Increase (decrease) in trade payables	6,155	5,150
Other	2,848	903
Subtotal	7,693	8,984
Interest and dividends received	71	66
Interest paid	(125)	(90)
Income taxes (paid)	(308)	(925)
Net cash provided by operating activities	7,331	8,035
<b>Investing activities:</b>		
Net (increase) decrease in time deposits	(491)	(310)
Purchases of property, plant and equipment	(2,727)	(3,803)
Proceeds from sales of property, plant and equipment	25	1,085
Purchases of investment securities	-	(37)
Other	40	19
Net cash used in investing activities	(3,151)	(3,046)
<b>Financing activities:</b>		
Net increase (decrease) in short-term borrowings	2,960	(164)
Repayments of long-term borrowings	(62)	(572)
Purchases of treasury stock	(2)	(7)
Payments of cash dividends	(588)	(589)
Proceeds from sale and lease-back transactions	1,655	-
Repayments of lease obligations	(86)	(231)
Other	-	(0)
Net cash provided (used) by financing activities	3,875	(1,565)
Effect of exchange rate changes on cash and cash equivalents	(283)	(1,377)
Net increase (decrease) in cash and cash equivalents	7,772	2,046
Cash and cash equivalents at beginning of the year	33,110	40,451
Cash and cash equivalents at end of period	40,883	42,498

**5. Supplementary Information**  
**Net Sales by Product Segment**

(Millions of yen)

Product segment	Three months ended June 30, 2010	
	Amount	Share [%]
Capacitors	26,689	48.6
Ferrite and applied products	8,190	14.9
Modules	8,848	16.1
Other electronic components	3,960	7.2
Electronic components	47,688	86.8
Optical media products	5,550	10.1
Others	1,709	3.1
Optical media and other products	7,260	13.2
Total	54,948	100.0