

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, 2010 filed with the Tokyo Stock Exchange on November 5, 2010.

November 5, 2010

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

**Consolidated Results for
 the Six Months Ended September 30, 2010
 (April 1, 2010 – September 30, 2010)**

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

Overview of Operating Results

Item	Six months ended September 30, 2010		Six months ended September 30, 2009		Increase / (Decrease)	
	Amount	Share [%]	Amount	Share [%]	Amount	[%]
Net sales	112,877	100.0	94,996	100.0	(17,880)	18.8
Operating income	8,102	7.2	1,842	1.9	6,260	339.8
Ordinary income	6,538	5.8	121	0.1	6,416	—
Income (loss) before income taxes and minority interests	(1,769)	(1.6)	(829)	(0.9)	(940)	—
Net income (loss)	(3,148)	(2.8)	(1,420)	(1.5)	(1,728)	—

Net income (loss) per share [Yen]	(26.77)	(12.08)
Diluted net income per share [Yen]	—	—

R&D expenses	4,236	3,409	826	24.2
Capital investment	7,929	4,657	3,272	70.3
Depreciation expenses	9,968	11,675	(1,707)	(14.6)

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, and September 30, 2010, diluted net income per share is not disclosed since there is net loss per share for the period.

	As of September 30, 2010	As of March 31, 2010	Increase / (Decrease)	
			Amount	[%]
Total assets	225,757	236,361	(10,604)	(4.5)
Net assets	129,413	139,263	(9,849)	(7.1)
Equity ratio	57.1%	58.7%	(1.6) pt	—
Net assets per share [Yen]	1,095.76	1,179.82	(84.06)	(7.1)

Net Sales by Product Classification

Product classification	Six months ended September 30, 2010	
	Amount	Share [%]
Capacitors	55,188	48.9
Ferrite and applied products	16,408	14.5
Modules	17,993	15.9
Other electronic components	8,167	7.3
Electronic components	97,757	86.6
Optical media products	10,494	9.3
Others	4,625	4.1
Optical media and others	15,119	13.4
Total	112,877	100.0

Consolidated Results for the six months ended September 30, 2010

November 5, 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 September 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	%
Six months ended September 30, 2010	112,877	18.8	8,102	339.8	6,538	—	(3,148)	—
Six months ended September 30, 2009	94,996	13.2	1,842	55.4	121	(97.7)	(1,420)	—

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2010	(26.77)	—
Six months ended September 30, 2009	(12.08)	—

Note: Although diluted shares exist for the period of six months ended September 30, 2009, and September 30, 2010, diluted net income per share is not disclosed 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 September 30, 2010	225,757	129,413	57.1	1,095.76
As of March 31, 2010	236,361	139,263	58.7	1,179.82

(Reference) Shareholder's equity As of September 30, 2010 128,864 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	—	5.00			
Year ending March 31, 2011 (forecast)			—	5.00	10.00

Note: No changes in the forecasted dividend during the second quarter ended September 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
Year ending March 31, 2011	214,000	9.4	10,000	137.9	8,000	306.9	(2,500)	—	(21.26)

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

4. Other

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

Note: Change in specified subsidiaries with change in the scope of consolidation during the three months

(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 September 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 September 30, 2010	2,879,091 shares	As of March 31, 2010	2,871,429 shares
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c. Average number of common shares outstanding:

Six months ended September 30, 2010	117,605,255 shares	Six months ended September 30, 2009	117,599,189 shares
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Items regarding the implementation of quarterly review procedure

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

Through to the six-month period ended September 30, 2010, of the fiscal year ending March 31, 2011, the operating environment throughout those markets in which TAIYO YUDEN CO., LTD. and its subsidiaries (together the “Companies”) conduct their business remained firm. Despite growing uncertainty with respect to future economic conditions, this positive scenario was largely driven by economic growth in newly developing countries beginning with China. As a result, orders for communication equipment, consumer products and component application increased compared with the corresponding period of the previous fiscal year.

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 classification, the Companies took steps to strengthen their *Bluetooth*[®] and wireless LAN combination modules while at the same time actively advancing promotions. In Other Electronic Components, the Companies took ongoing steps toward the transfer of management control of the SAW/FBAR device business following its acquisition at the end of the previous fiscal year as well as changes to commercial distribution. Furthermore, the Companies delivered products targeting the mobile phone market beginning with smartphones. In Optical Media Products, profitability deteriorated due mainly to a sharp contraction in existing product markets including CD-Rs as well as DVD-Rs. Recognizing that the business environment would remain difficult for the foreseeable future, structural reform measures were implemented beginning with production structure rationalization.

Accounting for each of the aforementioned factors, consolidated net sales for the six-month period ended September 30, 2010 amounted to ¥112,877 million, an increase of 18.8% compared with the corresponding period of the previous fiscal year. From a profit perspective, operating income surged 339.8% year on year to ¥8,102 million. Ordinary income was ¥6,538 million up from ¥121 million in the six-month period ended September 30, 2009. For the period under review, however, the Companies incurred a net loss of ¥3,148 million compared with the net loss of ¥1,420 million in the corresponding period of the previous fiscal year. This was primarily due to the extraordinary loss attributable to the implementation of structural reforms in the Optical Media Products business.

The average foreign currency exchange rate for the period under review was US\$1:¥89.98. Accordingly, the value of the yen appreciated by ¥6.59 compared with the average foreign currency exchange rate of US\$1:¥96.57 for the corresponding period of the previous fiscal year.

Net sales information by product classification 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 six-month period ended September 30, 2010, classification sales increased across all applications, compared with the corresponding period of the previous fiscal year, to ¥55,188 million.

Ferrite and Applied Products

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

Classification sales for the six months ended September 30, 2010 were ¥16,408 million. Despite a 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 classification comprises a wide range of power supply and high frequency modules.

For the six-month period ended September 30, 2010, sales of high frequency modules declined. Sales of power supply modules on the other hand increased. As a result, module sales totaled ¥17,993 million for the period under review.

Other electronic components

This classification is made up of electronic components not included in the aforementioned classifications.

The principal items within this classification include such SAW/FBAR devices as SAW filters. Sales for the six-month period ended September 30, 2010 amounted to ¥8,167 million.

Optical media and others

Optical Media Products

In this product classification, 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, classification sales fell to ¥10,494 million.

Others

Sales in this classification primarily come from the mounting business of a subsidiary company. For the six-month period ended September 30, 2010, sales in this classification was ¥4,625 million.

2. Qualitative Information Concerning Consolidated Financial Condition

(1) Changes in Financial Condition

Total assets as of the end of the second quarter of the fiscal year ending March 31, 2011 decreased ¥10,604 million compared with the end of the previous fiscal year. Major movements included an upswing in current assets of ¥1,203 million. The principal factor was an increase of ¥1,282 million in finished products. Fixed assets, on the other hand, declined ¥11,808 million due largely to the drop of ¥10,519 million in the balance of property, plant and equipment.

Total liabilities as of September 30, 2010 decreased ¥755 million. Major increases included

trade notes and accounts payable as well as current portion of long-term borrowings, which climbed ¥2,562 million and ¥7,999 million, respectively. Principal decreases comprised short-term borrowings and long-term borrowings, which declined ¥2,809 million and ¥10,030 million, respectively.

Net assets as of the end of the period under review declined ¥9,849 million.

(2) Cash Flows

Net cash provided by operating activities for the six-month period ended September 30, 2010 amounted to ¥14,397 million, an increase of 34.3% compared with the corresponding period of the previous fiscal year. Major cash inflows were depreciation and amortization of ¥9,968 million, impairment loss of ¥7,230 million and increase in trade payables of ¥5,742 million. Principal cash outflows were loss before income taxes and minority interests of ¥1,769 million and increase in trade receivables of ¥3,716 million.

Net cash used in investing activities for the period under review totaled ¥8,134 million, an increase of 279.0% compared with the corresponding period of the previous fiscal year. The largest cash inflow was ¥1,069 million representing proceeds from sales of property, plant and equipment. Cash outflow was ¥7,929 million for purchases of property, plant and equipment.

Net cash used in financing activities for the six-month period ended September 30, 2010 came to ¥5,787 million, 181.9% higher than the corresponding period of the previous fiscal year. Major factors contributing to the increase in cash outflows included net decrease in short-term borrowings of ¥2,688 million, repayments of long-term borrowings of ¥2,030 million and payment of cash dividends of ¥589 million.

Taking into account all of the aforementioned activities, cash and cash equivalents as of September 30, 2010 stood at ¥39,295 million. This was a decrease of ¥1,156 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 six-month period ended September 30, 2010, Taiyo Yuden revised its consolidated operating results forecasts for the full fiscal year ending March 31, 2011, previously announced on August 4, 2010. For details and the revised figures, please refer to Taiyo Yuden's press release "Taiyo Yuden Revises Forecasts of Results" announced on November 5, 2010.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2010	As of March 31, 2010
ASSETS		
Current assets:		
Cash and deposits	41,686	41,785
Trade notes and accounts receivable	48,391	48,698
Finished products	12,124	10,842
Work in process	8,434	8,148
Raw materials and supplies	10,308	9,651
Other	6,888	7,526
Allowance for doubtful receivables	(244)	(266)
Total current assets	127,590	126,386
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	61,219	64,511
Machinery and equipment	178,424	193,309
Tools, furniture and fixtures	17,382	18,429
Land	7,713	7,799
Construction in progress	6,910	5,655
Accumulated depreciation	(187,632)	(195,166)
Net property, plant and equipment	84,018	94,537
Intangible fixed assets:		
Goodwill	3,068	3,490
Other	721	742
Total intangible fixed assets	3,789	4,232
Investments and other assets:		
Investment securities	4,571	5,257
Other	6,039	6,257
Allowance for doubtful receivables	(251)	(310)
Total investments and other assets	10,359	11,205
Total fixed assets	98,167	109,975
Total assets	225,757	236,361

(Millions of yen)

	As of September 30, 2010	As of March 31, 2010
LIABILITIES		
Current liabilities:		
Trade notes and accounts payable	21,106	18,543
Short-term borrowings	3,058	5,867
Current portion of long-term borrowings	12,060	4,061
Income taxes payable	1,350	1,564
Accrued bonuses for employees	3,740	2,720
Accrued bonuses for directors and corporate auditors	34	22
Other	14,286	12,792
Total current liabilities	55,637	45,573
Long-term liabilities:		
Convertible bonds with stock acquisition rights	20,000	20,000
Long-term borrowings	11,980	22,010
Accrued retirement benefits for employees	3,248	3,262
Accrued retirement benefits for directors and corporate auditors	129	136
Negative goodwill	62	72
Other	5,285	6,043
Total long-term liabilities	40,706	51,524
Total liabilities	96,343	97,098
NET ASSETS		
Shareholders' equity:		
Common stock	23,557	23,557
Capital surplus	41,471	41,471
Retained earnings	92,247	95,984
Treasury stock	(3,602)	(3,592)
Total shareholders' equity	153,673	157,420
Valuation, translation adjustments and others:		
Net unrealized holding gains on securities	224	695
Deferred gains (losses) on hedges	18	(96)
Foreign currency translation adjustments	(25,052)	(19,259)
Total valuation, translation adjustments and others	(24,809)	(18,661)
Stock acquisition rights	287	248
Minority interests	262	256
Total net assets	129,413	139,263
Total liabilities and net assets	225,757	236,361

(2) Consolidated Statements of Operations
Six months ended September 30, 2010

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
Net sales	94,996	112,877
Cost of sales	78,099	85,958
Gross profit	16,896	26,918
Selling, general and administrative expenses	15,054	18,816
Operating income	1,842	8,102
Non-operating income:		
Interest income	138	100
Dividend income	30	53
Equity in earnings of affiliates	0	15
Subsidies	146	36
Other	121	81
Total non-operating income	437	286
Non-operating expenses:		
Interest expense	321	253
Loss on foreign exchange	1,627	1,127
Depreciation of inactive noncurrent assets	—	429
Other	208	40
Total non-operating expenses	2,157	1,850
Ordinary income	121	6,538
Extraordinary gains:		
Gain on sales of property, plant and equipment	52	911
Other	—	114
Total extraordinary gains	52	1,025
Extraordinary losses:		
Loss on disposal and sales of property, plant and equipment	184	1,955
Impairment loss	—	7,230
Loss on disposal of inventories	623	114
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	27
Other	195	6
Total extraordinary losses	1,003	9,333
Income (loss) before income taxes and minority interests	(829)	(1,769)
Income taxes — current	1,162	1,542
Income taxes — deferred	(587)	(169)
Total income taxes	575	1,373
Income (loss) before minority interests	—	(3,142)
Minority interests in income	15	6
Net income (loss)	(1,420)	(3,148)

Three months ended September 30, 2010

(Millions of yen)

	Three months ended September 30, 2009	Three months ended September 30, 2010
Net sales	52,408	57,928
Cost of sales	41,733	44,261
Gross profit	10,675	13,666
Selling, general and administrative expenses	7,628	9,324
Operating income	3,046	4,342
Non-operating income:		
Interest income	69	55
Dividend income	8	26
Equity in earnings of affiliates	—	5
Subsidies	49	36
Other	60	16
Total non-operating income	187	140
Non-operating expenses:		
Interest expense	161	129
Equity in earnings of affiliates	0	—
Loss on foreign exchange	951	1,062
Depreciation of inactive noncurrent assets	—	195
Other	135	24
Total non-operating expenses	1,248	1,411
Ordinary income	1,986	3,070
Extraordinary gains:		
Gain on sales of property, plant and equipment	28	(15)
Other	—	18
Total extraordinary gains	28	2
Extraordinary losses:		
Loss on disposal and sales of property, plant and equipment	138	1,884
Impairment loss	—	7,230
Loss on disposal of inventories	623	103
Other	188	(0)
Total extraordinary losses	950	9,217
Income (loss) before income taxes and minority interests	1,065	(6,144)
Income taxes — current	522	568
Income taxes — deferred	(522)	16
Total income taxes	(0)	584
Income (loss) before minority interests	—	(6,729)
Minority interests in income (loss)	18	(4)
Net income (loss)	1,047	(6,724)

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010
Operating activities:		
Income (loss) before income taxes and minority interests	(829)	(1,769)
Depreciation and amortization	11,675	9,968
Impairment loss on property, plant and equipment	—	7,230
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	27
Amortization of goodwill	121	422
Amortization of negative goodwill	(13)	(10)
Increase (decrease) in allowance for doubtful receivables	114	(57)
Increase (decrease) in accrued bonuses for employees	283	1,041
Increase (decrease) in accrued bonuses for directors and corporate auditors	—	11
Increase (decrease) in accrued retirement benefits for directors and corporate auditors	3	0
Interest and dividend income	(168)	(154)
Interest expense	321	253
Equity in earnings of affiliate	(0)	(15)
(Gain) loss on disposal and sales of property, plant and equipment	131	1,043
(Increase) decrease in trade receivables	(13,936)	(3,716)
(Increase) decrease in inventories	675	(3,482)
Increase (decrease) in trade payables	11,563	5,742
Other	1,209	(494)
Subtotal	11,150	16,040
Interest and dividends received	197	152
Interest paid	(313)	(249)
Income taxes (paid) refunded	(312)	(1,545)
Net cash provided by operating activities	10,722	14,397
Investing activities:		
Net (increase) decrease in time deposits	2,606	(1,204)
Purchases of property, plant and equipment	(4,657)	(7,929)
Proceeds from sales of property, plant and equipment	176	1,069
Purchases of investment securities	(340)	(37)
Other	67	(32)
Net cash used in investing activities	(2,146)	(8,134)
Financing activities:		
Net increase (decrease) in short-term borrowings	(2,700)	(2,688)
Proceeds from long-term borrowings	6,000	—
Repayments of long-term borrowings	(6,251)	(2,030)
Purchases of treasury stock	(6)	(10)
Payments of cash dividends	(585)	(589)
Proceeds from sale and lease-back transactions	1,655	—
Repayments of lease obligations	(164)	(467)
Other	0	(0)
Net cash provided (used) by financing activities	(2,052)	(5,787)
Effect of exchange rate changes on cash and cash equivalents	(1,431)	(1,632)
Net increase (decrease) in cash and cash equivalents	5,091	(1,156)
Cash and cash equivalents at beginning of the year	33,110	40,451
Cash and cash equivalents at end of period	38,202	39,295

5. Supplementary Information

Net Sales by Product Classification

(Millions of yen)

Product classification		Six months ended September 30, 2010	
		Amount	Share [%]
	Capacitors	55,188	48.9
	Ferrite and applied products	16,408	14.5
	Modules	17,993	15.9
	Other electronic components	8,167	7.3
	Electronic components	97,757	86.6
	Optical media products	10,494	9.3
	Others	4,625	4.1
	Optical media and others	15,119	13.4
	Total	112,877	100.0

(Millions of yen)

Product classification		Three months ended September 30, 2010	
		Amount	Share [%]
	Capacitors	28,499	49.2
	Ferrite and applied products	8,217	14.2
	Modules	9,145	15.8
	Other electronic components	4,206	7.3
	Electronic components	50,069	86.5
	Optical media products	4,943	8.5
	Others	2,916	5.0
	Optical media and others	7,859	13.5
	Total	57,928	100.0