

May 12, 2011

Company name: TAIYO YUDEN CO., LTD.
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 Listing exchange: Tokyo Stock Exchange (Code Number: 6976)

Consolidated Results for the Year Ended March 31, 2011 (April 1, 2010 – March 31, 2011)

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

Overview of Operating Results

| Item | Year ended March 31, 2010 | | Year ended March 31, 2011 | | Increase/Decrease | |
|----------------------------------------------------------|---------------------------|----------|---------------------------|----------|-------------------|--------|
| | Amount | Share[%] | Amount | Share[%] | Amount | [%] |
| Net sales | 195,690 | 100.0 | 210,401 | 100.0 | 14,710 | 7.5 |
| Operating income | 4,203 | 2.1 | 8,792 | 4.2 | 4,588 | 109.1 |
| Ordinary income | 1,966 | 1.0 | 6,740 | 3.2 | 4,773 | 242.8 |
| Income (loss) before income taxes and minority interests | 428 | 0.2 | (3,653) | (1.7) | (4,081) | - |
| Net income (loss) | (680) | (0.3) | (5,506) | (2.6) | (4,826) | - |
| Net income (loss) per share [Yen] | (5.78) | | (46.82) | | | |
| Diluted net income per share [Yen] | — | | — | | | |
| R&D expenses | 7,698 | | 8,475 | | 776 | 10.1 |
| Capital investment | 9,352 | | 17,519 | | 8,166 | 87.3 |
| Depreciation and amortization | 23,922 | | 19,309 | | (4,612) | (19.3) |

Notes:

- Share data is computed as a ratio of net sales.
- Although diluted shares exist for the year ended March 31, 2010 and March 31, 2011, diluted net income per share is not disclosed since there is net loss per share for the period.

| Item | As of March 31, 2010 | As of March 31, 2011 | Increase/Decrease | |
|----------------------------|----------------------|----------------------|-------------------|-------|
| | | | Amount | [%] |
| Total assets | 236,361 | 221,272 | (15,089) | (6.4) |
| Net assets | 139,263 | 127,626 | (11,637) | (8.4) |
| Equity ratio | 58.7% | 57.4% | (1.3) pt | — |
| Net assets per share [Yen] | 1,179.82 | 1,080.61 | (99.21) | (8.4) |

Net Sales by Product Classification

| Product classification | year ended March 31, 2011 | |
|------------------------------|---------------------------|----------|
| | Amount | Share[%] |
| Capacitors | 101,560 | 48.3 |
| Ferrite and applied products | 31,018 | 14.7 |
| Modules | 31,763 | 15.1 |
| Other electronic components | 15,527 | 7.4 |
| Electronic components | 179,869 | 85.5 |
| Optical media products | 20,479 | 9.7 |
| Others | 10,052 | 4.8 |
| Optical media and others | 30,532 | 14.5 |
| Total | 210,401 | 100.0 |

TAIYO YUDEN

Consolidated Results for the year ended March 31, 2011

May 12, 2011

1. Consolidated financial results for the period from April 1, 2010 to March 31, 2011

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

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|------------------------------|-----------------|-----|------------------|-------|-----------------|-------|-----------------|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Year ended March 31, 2011 | 210,401 | 7.5 | 8,792 | 109.1 | 6,740 | 242.8 | (5,506) | - |
| Year ended March 31, 2010 | 195,690 | 5.5 | 4,203 | - | 1,966 | - | (680) | - |

Note: Comprehensive income

Year ended March 31, 2011 (10,472) million yen (-%) Year ended March 31, 2010 987 million yen (-%)

| | Net income per share | Diluted net income per share | Return on equity | Ordinary income on total assets | Operating income on net sales |
|------------------------------|-------------------------|---------------------------------|---------------------|------------------------------------|----------------------------------|
| | Yen | Yen | % | % | % |
| Year ended March 31, 2011 | (46.82) | - | (4.1) | 2.9 | 4.2 |
| Year ended March 31, 2010 | (5.78) | - | (0.5) | 0.9 | 2.1 |

(Reference) Equity in earnings of affiliates

Year ended March 31, 2011 1 million yen Year ended March 31, 2010 2million yen

(2) Financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|-------------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of March 31, 2011 | 221,272 | 127,626 | 57.4 | 1,080.61 |
| As of March 31, 2010 | 236,361 | 139,263 | 58.7 | 1,179.82 |

(Reference) Shareholder's equity As of March 31, 2011 127,065million yen As of March 31, 2010 138,758million yen

(3) Cash Flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------------|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Year ended March 31, 2011 | 25,219 | (16,594) | (8,948) | 38,811 |
| Year ended March 31, 2010 | 25,662 | (8,918) | (8,775) | 40,451 |

2. Dividend information

| | Cash dividends per share | | | | | Total annual dividend | Dividend payout ratio | Dividend on net assets |
|---------------------------------------------|--------------------------|-------------------|------------------|-------------|--------------|--------------------------|--------------------------|---------------------------|
| | First Quarter | Second Quarter | Third Quarter | Year End | Total | | | |
| Year ended March 31, 2010 | Yen - | Yen 5.00 | Yen - | Yen 5.00 | Yen 10.00 | Millions of yen 1,176 | % - | % 0.8 |
| Year ended March 31, 2011 | Yen - | Yen 5.00 | Yen - | Yen 5.00 | Yen 10.00 | Millions of yen 1,175 | % - | % 0.9 |
| Year ending March 31, 2012 (Forecast) | Yen - | Yen 5.00 | Yen - | Yen 5.00 | Yen 10.00 | | 29.4 | |

3. Forecasts of operating results for the period from April 1, 2011 to March 31, 2012

(Percentages represent changes from the same periods in the previous 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, 2011 | 106,000 | (6.1) | 3,500 | (56.8) | 3,000 | (54.1) | 1,200 | - | 10.21 |
| Year ending March 31, 2012 | 220,000 | 4.6 | 10,000 | 13.7 | 9,000 | 33.5 | 4,200 | - | 34.02 |

4. Other

- (1) Changes in principal subsidiaries during the year ended March 31, 2011: No
- (2) 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 the other reasons.: No

(3) Number of common shares outstanding:

| | | | |
|------------------------------------------------------------------------------------|--------------------|-------------------------------------|--------------------|
| a. Number of common shares outstanding at end of period (including treasury stock) | | | |
| As of March 31, 2011 | 120,481,395 shares | As of March 31, 2010 | 120,481,395 shares |
| b. Number of treasury stock: | | | |
| As of March 31, 2011 | 2,894,450 shares | As of March 31, 2010 | 2,871,429 shares |
| c. Average number of common shares outstanding: | | | |
| Fiscal Year ended March 31, 2011 | 117,599,761 shares | Fiscal Year ended March 31, 2010 | 117,606,625 shares |

Note:

1. This financial press release is out of scope of the audit procedure based on the Financial Instruments and Exchange Act in Japan. As of time of press release date, the year-end audit procedure is ongoing.

2. 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.

1. Operating Results

(1) Analysis of Operating Results

I. Operating Results for the Year Ended March 31, 2011

In the market environment surrounding TAIYO YUDEN CO., LTD. and its subsidiaries (together “the Companies” or “the Group”), the global economy continues on a moderate recovery path despite persistent severe unemployment, and business conditions have remained steady. This is due to economic growth in emerging countries including China, and monetary policies and fiscal measures in developed countries. In the Japanese economy, capital expenditures have lost momentum and unemployment is stuck at high levels, but consumer spending has remained strong.

In electronics products, an expansion in demand particularly for smartphones, which contain a high number of components, has led to increased communication equipment-related orders compared with the same period in the previous fiscal year. However, information equipment- and component-related orders declined, due to inventory adjustments in personal computers and LCD panels.

At the same time, the Great East Japan Earthquake on March 11, 2011 caused extensive damage throughout the Tohoku (northeast) region, impacting the global economy and forcing assembled product manufacturers to adjust production.

Under these circumstances, we undertook specific measures across each of its five business classifications. Brief details are as follows.

In Capacitors, we placed considerable weight on efforts to bolster our 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, we worked diligently to expand sales by pursuing various initiatives including new market cultivation.

In Ferrite and Applied Products, we 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, we took steps to strengthen our *Bluetooth*[®] and wireless LAN combination modules while at the same time actively advancing promotions.

In Other Electronic Components, we 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, we 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-R as well as DVD-R. Recognizing that the business environment would remain difficult for the foreseeable future, structural reform measures were implemented beginning with production structure rationalization.

Accounting for the impacts of each of the aforementioned measures, consolidated net sales for the fiscal year ended March 31, 2011 climbed 7.5% compared with the previous fiscal year to ¥210,401 million. From a profit perspective, operating income surged 109.1% year on year to ¥8,792 million. Ordinary income was ¥6,740 million, an increase of 242.8% compared with the previous fiscal year. In addition, casualty losses due to the earthquake and the extraordinary loss associated with structural reforms in our optical media products business resulted in a net loss of ¥5,506 million for the fiscal year ended March 31, 2011 (compared with net loss of ¥680 million in the previous fiscal year).

The average foreign currency exchange rate for the fiscal year ended March 31, 2011 was US\$1: ¥86.46. Compared with US\$1: ¥93.48 in the previous fiscal year, the value of the yen appreciated ¥7.02.

Structural reforms implemented for the optical media products business during the fiscal year

(i) Background and rationale for implementation of structural reforms

Since the development of the CD-R in 1988, the Group has made optical media products including CD-R, DVD-R, and BD-R one of its businesses. Competition from overseas manufacturers has intensified, but by supplying high-quality products to the market the Group has enjoyed the high reputation for reliability that many users confer on Japan-made optical media.

On the other hand, with the rapid rise of Internet businesses and the spread of non-optical mass storage products such as HDD and flash memory in recent years, the market for existing optical media products, especially CD-R and DVD-R, has rapidly contracted. To address this situation, the Group has promoted cost reduction, productivity improvements, and expansion of sales channels, while pushing the development of user-friendly products. Despite these efforts, the business environment remains very harsh and is having a significant impact on the Group's results.

In the previous fiscal year, the Group undertook measures to reduce inventories of existing products such as CD-R, DVD-R. However, a market contraction beyond our expectations, intensifying competition from overseas manufacturers under the strong yen, and rising raw material prices all lead us to expect a continued severe business environment, especially for existing products. To address this situation, the Group has determined a need for quick revitalization of its optical media products business, and has implemented structural reform for existing products.

(ii) Overview of structural reforms

a. Contraction of production structure

We have streamlined our production structure for optical media from 110 million pieces per month to an appropriate scale of 65 million pieces per month. In addition, we reduced inventory at the end of this fiscal year to an appropriate level, about 40% below the level recorded at the end of the previous fiscal year.

b. Personnel downsizing

Along with the contraction of our production structure, we have carried out downsizing of personnel. We have redeployed personnel from the optical media products business into management resources for the electronic components business, including new businesses. Through this, we have been able to reduce the optical media products business's personnel structure by about 45%.

(iii) Recording of extraordinary losses

Associated with this restructuring, we recorded impairment loss and loss on sales and disposal of property, plant and equipment of ¥8.8 billion as extraordinary losses in the second quarter of the fiscal year. By implementing impairment and sales and disposal, we reduced depreciation expenses for targeted facilities by roughly ¥1.5 billion in the third and fourth quarters combined.

Impacts of the March 11 Great East Japan Earthquake on the Group's consolidated business results, and the response measures taken by the Group

(i) Formation of Risk Management Committee

The Group quickly launched a Risk Management Committee after the earthquake to ascertain damage and to work toward response measures. At the same time, it undertook Group-wide concerted initiatives toward recovery.

(ii) Earthquake damage status

While no personal casualties occurred within the Group, production sites in Gunma Prefecture and branch offices in the Tohoku region, including the subsidiary That's Fukushima Co., Ltd., experienced some building and equipment damage as well as temporary shutdowns due to rolling blackouts.

(iii) Effects on business performance

We recorded ¥1,409 million in the extraordinary loss as a loss on disaster including primarily on disposal or repair of inventories and on property, plant and equipment that were damaged by the Great East Japan Earthquake. In addition, we made a contribution of ¥50 million in disaster donations toward Fukushima Prefecture.

(iv) Current status

Production was halted at some production sites after the earthquake. Through concentrated recovery efforts, however, equipment repairs were completed early, and production was restored after ensuring safety checks. At present, there is no significant impact on shipments.

We expect no major expenses in the future related to equipment restoration, but have considered the following measures for the fiscal year ended March 31, 2011.

a. Measures to cope with restrictions on electric power

As restrictions on electric power supply to businesses are a possibility in the coming summer, there is a risk that sufficient electric power to operate manufacturing plants may not be available. We are making Group-wide efforts toward maintaining production structures and stably providing product to customers. Measures to achieve this include installing private power generators, changing working hours and shifts, moving production to domestic facilities not affected by electric power restrictions, increasing production at overseas sites, and production stockpiling.

b. Raw material procurement system

Immediately after the earthquake, production stoppages at procurement sources, logistical disruptions caused by severed transportation networks and gasoline shortages, and other obstacles impacted our procurement of parts.

At present, prospects for substitutes to replace parts facing procurement concerns are in place, and recovery in devastated areas has left no major problems with procurement. We have nearly returned to our normal operating

status and procurement condition.

Looking ahead, we will continue to investigate overseas procurement and diversification of suppliers to ensure stable procurement of parts.

Net sales information by product classification

Electronic Components

Capacitors

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

In the fiscal year ended March 31, 2011, classification sales for communication equipment and consumer products increased, compared with the previous fiscal year, to ¥101,560 million.

Ferrite and applied products

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

Classification sales for the fiscal year ended March 31, 2011 were ¥31,018 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 fiscal year ended March 31, 2011, sales of power supply and high frequency modules declined compared with the previous fiscal year. As a result, module sales totaled ¥31,763 million.

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 fiscal year ended March 31, 2011 amounted to ¥15,527 million.

Optical media and others

Optical media products

In this product classification, we are active in the manufacture and sale of CD-R, DVD-R/DVD+R as well as recordable Blu-ray Disc (BD-R).

For the fiscal year ended March 31, 2011, sales of CD-R and DVD-R/DVD+R decreased compared with the previous fiscal year. Taking into consideration the aforementioned, classification sales fell to ¥20,479 million.

Others

Sales in this classification primarily come from the mounting business of a subsidiary company. For the fiscal year ended March 31, 2011, sales in this classification was ¥10,052 million.

II. Outlook for the Year Ending March 31, 2012

Consolidated operating results forecasts for the year ending March 31, 2012 are as follows.

(Millions of yen unless otherwise stated)

| Item \ Period | Six months ending September 30, 2011 | | Year ending March 31, 2012 | |
|------------------|-----------------------------------------|---------|-------------------------------|---------|
| | Amount | YoY (%) | Amount | YoY (%) |
| Net sales | 106,000 | (6.1) | 220,000 | 4.6 |
| Operating income | 3,500 | (56.8) | 10,000 | 13.7 |
| Ordinary income | 3,000 | (54.1) | 9,000 | 33.5 |
| Net income | 1,200 | - | 4,000 | - |

Looking at the fiscal year ending March 31, 2012, production of such major electronic devices as televisions, personal computers and mobile phones is projected to increase compared with the fiscal year ended March 31, 2011. On this basis, demand for the electronic components used in the aforementioned and other devices is forecast to rise.

As a result, consolidated net sales for the fiscal year ending March 31, 2012 are forecast to total ¥220 billion. This is 4.6% higher than the level recorded in the previous fiscal year. From a profit perspective, operating income is expected to reach ¥10 billion for the fiscal year ending March 31, 2012, up 13.7% year on year. Ordinary income is expected ¥9 billion for the fiscal year ending March 31, 2012, up 33.5% year on year. Net income is projected at ¥4 billion, compared with the net loss of ¥5,506 million posted in the previous fiscal year.

Forecasts are based on an estimated average foreign currency exchange rate of US1:¥85 for the fiscal year ending March 31, 2012.

Outlook for the optical media products business

With the implementation of the structural reforms, we will strengthen our efforts to make our optical media products business profitable starting in the fiscal year ending March 31, 2012.

Disclaimer concerning forecasts of operating results:

The aforementioned forecasts of results are based on information available as of the date of this report. As a result, information contained in this document may include uncertainties and items that are not of historical fact. Accordingly, actual results may differ materially from forecasts due to a variety of factors.

(2)Analysis of Financial Condition

Cash Flows

(Millions of yen)

| | Year ended March 31, 2010 | Year ended March 31, 2011 | Increase (Decrease) |
|-----------------------------------------------------------------|------------------------------|------------------------------|------------------------|
| Cash flows from operating activities | 25,662 | 25,219 | (443) |
| Cash flows from investing activities | (8,918) | (16,594) | (7,676) |
| Cash flows from financing activities | (8,775) | (8,948) | (172) |
| Effect of exchange rate changes on cash and cash equivalents | (627) | (1,316) | (688) |
| Net increase (decrease) in cash and cash equivalents | 7,340 | (1,640) | (8,981) |
| Cash and cash equivalents at beginning of the year | 33,110 | 40,451 | 7,340 |
| Cash and cash equivalents at end of the year | 40,451 | 38,811 | (1,640) |

Net cash provided by operating activities in the fiscal year reached ¥25,219 million (a 1.7% decrease compared with the previous fiscal year). The major causes include loss before income taxes and minority interests of ¥3,653 million, depreciation and amortization of ¥19,309 million, impairment loss of ¥7,343 million, decrease in trade receivables of ¥4,415 million, and increase in inventories of ¥4,784 million.

Net cash used in investing activities totaled ¥16,594 million (an 86.1% increase over the previous fiscal year). The major cash outflow was ¥17,519 million for acquisition of property, plant and equipment.

Net cash used in financing activities for the fiscal year came to ¥8,948 million (a 2.0% increase over the previous fiscal year). Major factors included net decrease in short-term borrowings of ¥2,732 million, and repayments of long-term borrowings of ¥4,062 million.

As a result of the aforementioned activities, cash and cash equivalents at the end of the fiscal year ended March 31, 2011 decreased ¥1,640 million from the end of the previous fiscal year, to ¥38,811 million.

Reference: Trends in Cash Flow-Related Indicators

| | Fiscal 2007 | Fiscal 2008 | Fiscal 2009 | Fiscal 2010 | Fiscal 2011 |
|---------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Equity ratio (%) | 65.5 | 61.6 | 61.6 | 58.7 | 57.4 |
| Equity ratio (%) (Market capitalization basis) | 113.2 | 42.7 | 38.8 | 73.5 | 59.3 |
| Cash flow to interest-bearing liabilities (years) | 1.1 | 1.6 | 3.9 | 2.1 | 1.9 |
| Interest coverage ratio (times) | 71.3 | 66.6 | 25.3 | 41.9 | 51.5 |

Equity ratio = Shareholders' equity / Total assets

Equity ratio (Market capitalization basis) = Market capitalization / Total assets

Cash flow to Interest-bearing liabilities = Interest-bearing liabilities / Cash flow

Interest coverage ratio = Cash flow / Interest expense

Notes:

1. All indicators have been calculated from consolidated financial figures.
2. Market capitalization is calculated based on the number of shares issued and outstanding less treasury stock.
3. Cash flow refers to cash flows from operating activities as shown on the consolidated statements of cash flows.
4. Interest-bearing liabilities comprise all debt on which interest is paid in the liabilities section of the consolidated balance sheets as well as noninterest-bearing convertible bonds with stock acquisition rights. Interest expense represents interest paid as shown on the consolidated statements of cash flows.

2.Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2010 | As of March 31, 2011 |
|-------------------------------------|-------------------------|-------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and deposits | 41,785 | 39,957 |
| Trade notes and accounts receivable | 48,698 | 41,190 |
| Finished products | 10,842 | 13,275 |
| Work in process | 8,148 | 9,318 |
| Raw materials and supplies | 9,651 | 9,893 |
| Deferred tax assets | 1,903 | 1,774 |
| Other | 5,623 | 4,381 |
| Allowance for doubtful receivables | (266) | (216) |
| Total current assets | 126,386 | 119,575 |
| Fixed assets: | | |
| Property, plant and equipment: | | |
| Buildings and structures | 64,511 | 62,069 |
| Machinery and equipment | 193,309 | 179,944 |
| Tools, furniture and fixtures | 18,429 | 17,648 |
| Land | 7,799 | 7,715 |
| Construction in progress | 5,655 | 10,742 |
| Accumulated depreciation | (195,166) | (190,517) |
| Net property, plant and equipment | 94,537 | 87,602 |
| Intangible fixed assets: | | |
| Goodwill | 3,490 | 2,646 |
| Other | 742 | 784 |
| Total intangible fixed assets | 4,232 | 3,430 |
| Investments and other assets: | | |
| Investment securities | 5,257 | 4,677 |
| Deferred tax assets | 3,469 | 3,626 |
| Other | 2,788 | 2,610 |
| Allowance for doubtful receivables | (310) | (250) |
| Total investments and other assets | 11,205 | 10,664 |
| Total fixed assets | 109,975 | 101,696 |
| Total assets | 236,361 | 221,272 |

(Millions of yen)

| | As of March 31, 2010 | As of March 31, 2011 |
|------------------------------------------------------------------|-------------------------|-------------------------|
| LIABILITIES | | |
| Current liabilities: | | |
| Trade notes and accounts payable | 18,543 | 17,047 |
| Short-term borrowings | 5,867 | 2,996 |
| Current portion of long-term borrowings | 4,061 | 12,539 |
| Accrued amounts payable | 3,556 | 10,288 |
| Income taxes payable | 1,564 | 1,120 |
| Deferred tax liabilities | 574 | 484 |
| Accrued bonuses for employees | 2,720 | 2,951 |
| Accrued bonuses for directors and corporate auditors | 22 | 46 |
| Other | 8,662 | 7,926 |
| Total current liabilities | 45,573 | 55,402 |
| Long-term liabilities: | | |
| Convertible bonds with stock acquisition rights | 20,000 | 20,000 |
| Long-term borrowings | 22,010 | 9,469 |
| Lease obligations | 2,785 | 2,009 |
| Deferred tax liabilities | 2,299 | 2,301 |
| Accrued retirement benefits for employees | 3,262 | 3,400 |
| Accrued retirement benefits for directors and corporate auditors | 136 | 136 |
| Negative goodwill | 72 | 51 |
| Other | 957 | 874 |
| Total long-term liabilities | 51,524 | 38,244 |
| Total liabilities | 97,098 | 93,646 |
| NET ASSETS | | |
| Shareholders' equity: | | |
| Common stock | 23,557 | 23,557 |
| Capital surplus | 41,471 | 41,471 |
| Retained earnings | 95,984 | 89,301 |
| Treasury stock | (3,592) | (3,620) |
| Total shareholders' equity | 157,420 | 150,709 |
| Total Accumulated Other Comprehensive Income | | |
| Net unrealized holding gains on securities | 695 | 381 |
| Deferred gains (losses) on hedges | (96) | (49) |
| Foreign currency translation adjustments | (19,259) | (23,975) |
| Accumulated Other Comprehensive Income | (18,661) | (23,643) |
| Stock acquisition rights | 248 | 287 |
| Minority interests | 256 | 272 |
| Total net assets | 139,263 | 127,626 |
| Total liabilities and net assets | 236,361 | 221,272 |

(2) Consolidated Statements of Operations

(Millions of yen)

| | Year ended March 31, 2010 | Year ended March 31, 2011 |
|----------------------------------------------------------------------------------------|------------------------------|------------------------------|
| Net sales | 195,690 | 210,401 |
| Cost of sales | 159,118 | 164,471 |
| Gross profit | 36,572 | 45,930 |
| Selling, general and administrative expenses | 32,368 | 37,137 |
| Operating income | 4,203 | 8,792 |
| Non-operating income: | | |
| Interest income | 186 | 173 |
| Dividend income | 49 | 80 |
| Equity in earnings of affiliates | 2 | 1 |
| Subsidies | 167 | 58 |
| Life insurance dividends income | — | 57 |
| Other | 282 | 153 |
| Total non-operating income | 688 | 525 |
| Non-operating expenses: | | |
| Interest expense | 596 | 476 |
| Loss on foreign exchange | 1,820 | 1,441 |
| Depreciation of inactive noncurrent assets | 296 | 546 |
| Other | 212 | 112 |
| Total non-operating expenses | 2,926 | 2,577 |
| Ordinary income | 1,966 | 6,740 |
| Extraordinary gains: | | |
| Gain on sales of property, plant and equipment | 362 | 941 |
| Other | 81 | 172 |
| Total extraordinary gains | 444 | 1,113 |
| Extraordinary losses: | | |
| Loss on disposal and sales of property, plant and equipment | 800 | 2,172 |
| Impairment loss | 181 | 7,343 |
| Loss on disposal of inventories | 843 | 312 |
| Loss on (Earthquake) Disaster | — | 1,409 |
| Loss on adjustment for changes of accounting standard for asset retirement obligations | — | 27 |
| Other | 156 | 241 |
| Total extraordinary losses | 1,982 | 11,507 |
| Income (loss) before income taxes and minority interests | 428 | (3,653) |
| Income taxes — current | 1,594 | 1,878 |
| Income taxes — deferred | (493) | (42) |
| Total income taxes | 1,100 | 1,836 |
| Income (loss) before minority interests | — | (5,489) |
| Minority interests in income | 8 | 16 |
| Net income (loss) | (680) | (5,506) |

(Millions of yen)

| | Year ended March 31, 2010 | Year ended March 31, 2011 |
|---------------------------------------------------------------|------------------------------|------------------------------|
| Income (loss) before minority interests | — | (5,489) |
| Other comprehensive income | | |
| Net unrealized holding gains (losses) on securities | — | (313) |
| Deferred gains (losses) on hedges | — | 46 |
| Foreign cyrrency translation adjustments | — | (4,715) |
| Total other comprehensive income | — | (4,982) |
| Comprehensive income | — | (10,472) |
| (Breakdown) | | |
| Comprehensive income (loss) attributable to shareholders | — | (10,488) |
| Comprehensive income (loss) attributable to minority interest | — | 16 |

(3) Consolidated Statements of Cash Flows

(Millions of yen)

| | Year ended March 31, 2010 | Year ended March 31, 2011 |
|------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| Operating activities: | | |
| Income (loss) before income taxes and minority interests | 428 | (3,653) |
| Depreciation and amortization | 23,922 | 19,309 |
| Impairment loss on property, plant and equipment | 181 | 7,343 |
| Loss on adjustment for changes of accounting standard for asset retirement obligations | — | 27 |
| Loss on (Earthquake) Disaster | — | 1,409 |
| Amortization of goodwill | 244 | 844 |
| Amortization of negative goodwill | (20) | (20) |
| Increase (decrease) in allowance for doubtful receivables | 73 | (94) |
| Increase (decrease) in accrued bonuses for employees | 1,488 | 237 |
| Increase (decrease) in accrued bonuses for directors and corporate auditors | 22 | 23 |
| Increase (decrease) in accrued retirement benefits for directors and corporate auditors | 10 | 6 |
| Interest and dividend income | (235) | (254) |
| Interest expense | 596 | 476 |
| Equity in earnings of affiliate | (2) | (1) |
| (Gain) loss on disposal and sales of property, plant and equipment | 437 | 1,230 |
| (Increase) decrease in trade receivables | (13,101) | 4,415 |
| (Increase) decrease in inventories | 3,164 | (4,784) |
| Increase (decrease) in trade payables | 8,496 | 852 |
| Other | 1,066 | 190 |
| Subtotal | <u>26,772</u> | <u>27,557</u> |
| Interest and dividends received | 265 | 252 |
| Interest paid | (613) | (489) |
| Income taxes (paid) refunded | (761) | (2,101) |
| Net cash provided by operating activities | <u>25,662</u> | <u>25,219</u> |
| Investing activities: | | |
| Purchases of property, plant and equipment | (9,352) | (17,519) |
| Proceeds from sales of property, plant and equipment | 581 | 1,010 |
| Purchases of investment securities | (340) | (125) |
| Net (increase) decrease in time deposits | 2,811 | 84 |
| Proceeds from purchases of investments in subsidiaries resulting in change in scope of consolidation | (2,788) | — |
| Other | 171 | (45) |
| Net cash used in investing activities | <u>(8,918)</u> | <u>(16,594)</u> |
| Financing activities: | | |
| Net increase (decrease) in short-term borrowings | (7,943) | (2,732) |
| Proceeds from long-term borrowings | 6,000 | — |
| Repayments of long-term borrowings | (6,968) | (4,062) |
| Purchases of treasury stock | (18) | (28) |
| Payments of cash dividends | (1,175) | (1,178) |
| Proceeds from sale and lease-back transactions | 1,655 | — |
| Repayments of lease obligations | (324) | (945) |
| Other | 0 | (1) |
| Net cash provided (used) by financing activities | <u>(8,775)</u> | <u>(8,948)</u> |
| Effect of exchange rate changes on cash and cash equivalents | <u>(627)</u> | <u>(1,316)</u> |
| Net increase (decrease) in cash and cash equivalents | <u>7,340</u> | <u>(1,640)</u> |
| Cash and cash equivalents at beginning of the year | <u>33,110</u> | <u>40,451</u> |
| Cash and cash equivalents at end of the year | <u>40,451</u> | <u>38,811</u> |

3. Production, Orders and sales Results

(1) Production

(Millions of yen)

| Product classification | Year ended March 31, 2011 | |
|------------------------------|---------------------------|-----------|
| | Amount | Share [%] |
| Capacitors | 105,978 | 52.7 |
| Ferrite and applied products | 31,501 | 15.7 |
| Modules | 22,181 | 11.0 |
| Other electronic components | 15,904 | 7.9 |
| Electronic components | 175,566 | 87.3 |
| Optical media products | 16,257 | 8.1 |
| Others | 9,346 | 4.6 |
| Optical media and others | 25,603 | 12.7 |
| Total | 201,169 | 100.0 |

Note:

1. Amounts are based on average unit sales prices for the period.
2. The aforementioned amounts are exclusive of consumption and related taxes.

(2) Orders

(Millions of yen)

| Product classification | Year ended March 31, 2011 | |
|------------------------------|---------------------------|-----------|
| | Amount | Share [%] |
| Capacitors | 98,973 | 47.2 |
| Ferrite and applied products | 30,859 | 14.7 |
| Modules | 32,158 | 15.4 |
| Other electronic components | 17,212 | 8.2 |
| Electronic components | 179,203 | 85.5 |
| Optical media products | 20,255 | 9.7 |
| Others | 10,052 | 4.8 |
| Optical media and others | 30,308 | 14.5 |
| Total | 209,512 | 100.0 |

Note: The aforementioned amounts are exclusive of consumption and related taxes.

(3) Order Backlog

(Millions of yen)

| Product classification | Year ended March 31, 2011 | |
|------------------------------|---------------------------|-----------|
| | Amount | Share [%] |
| Capacitors | 15,916 | 61.3 |
| Ferrite and applied products | 4,765 | 18.4 |
| Modules | 2,742 | 10.6 |
| Other electronic components | 2,346 | 9.0 |
| Electronic components | 25,771 | 99.3 |
| Optical media products | 187 | 0.7 |
| Others | — | — |
| Optical media and others | 187 | 0.7 |
| Total | 25,958 | 100.0 |

Note: The aforementioned amounts are exclusive of consumption and related taxes.

(4) Sales

(Millions of yen)

| Product classification | Year ended March 31, 2011 | |
|------------------------------|---------------------------|-----------|
| | Amount | Share [%] |
| Capacitors | 101,560 | 48.3 |
| Ferrite and applied products | 31,018 | 14.7 |
| Modules | 31,763 | 15.1 |
| Other electronic components | 15,527 | 7.4 |
| Electronic components | 179,869 | 85.5 |
| Optical media products | 20,479 | 9.7 |
| Others | 10,052 | 4.8 |
| Optical media and others | 30,532 | 14.5 |
| Total | 210,401 | 100.0 |

Note: The aforementioned amounts are exclusive of consumption and related taxes.