

***Consolidated Results for
the Year Ending March 31, 2011
2Q***

(April 1, 2010 – September 30, 2010)

TAIYO YUDEN

Despite an increase in net sales, a net loss reported due to an extraordinary loss incurred during the period under review

Unit: Millions of yen	Year ending March 31, 2011		Increase (Decrease)	
	1Q (01 Apr 2010 - 30 Jun 2010)	2Q (01 Jul 2010 - 30 Sep 2010)	Amount	%
Net sales	54,948	57,928	2,979	5.4
Operating income	3,760	4,342	581	15.5
Ordinary income	3,467	3,070	(396)	(11.4)
Net income	3,575	(6,724)	(10,299)	—

Operating income: Increased on the back of such factors as an upswing in sales volumes and successful efforts to reduce the cost of sales

Extraordinary loss: Recorded an extraordinary loss of ¥8.8 billion representing the loss on disposal and sales of property, plant and equipment and an impairment loss. This was mainly attributable to structural reforms implemented in the optical media products business

Increase in sales of capacitors, modules and other electronic components

Unit: Millions of yen	Year ending March 31, 2011		Increase (Decrease)	
	1Q (01 Apr 2010 - 30 Jun 2010)	2Q (01 Jul 2010 - 30 Sep 2010)	Amount	%
Capacitors	26,689	28,499	1,809	6.8
Ferrite and applied products	8,190	8,217	26	0.3
Modules	8,848	9,145	297	3.4
Other electronic components	3,960	4,206	246	6.2
Optical media products	5,550	4,943	(607)	(10.9)
Others	1,709	2,916	1,206	70.6

While net sales, operating income and ordinary income all increased, a net loss reported for the period

Unit: Millions of yen	Year ended March 31, 2010	Year ending March 31, 2011	Increase (Decrease)	
	2Q (01 Jul 2009 – 30 Sep 2009)	2Q (01 Jul 2010 – 30 Sep 2010)	Amount	%
Net sales	52,408	57,928	5,519	10.5
Operating income	3,046	4,342	1,295	42.5
Ordinary income	1,986	3,070	1,084	54.6
Net income	1,047	(6,724)	(7,771)	—

Operating income: Increased on the back of such factors as an upswing in sales volumes and successful efforts to reduce the cost of sales

Extraordinary loss: Recorded an extraordinary loss of ¥8.8 billion representing the loss on disposal and sales of property, plant and equipment and an impairment loss. This was mainly attributable to structural reforms implemented in the optical media products business

Capacitor sales increased 17% while sales of modules and optical media products decrease

Unit: Millions of yen	Year ended March 31, 2010	Year ending March 31, 2011	Increase (Decrease)	
	2Q (01 Jul 2009 – 30 Sep 2009)	2Q (01 Jul 2010 – 30 Sep 2010)	Amount	%
Capacitors	24,405	28,499	4,093	16.8
Ferrite and applied products	8,092	8,217	124	1.5
Modules	10,190	9,145	(1,044)	(10.3)
Other electronic components	—	4,206	—	—
Optical media products	6,585	4,943	(1,642)	(24.9)
Others	—	2,916	—	—

Note: Effective from the fiscal year under review, product segments have been reclassified. Data for “Other electronic components” and “Others” for the previous fiscal year is therefore not presented.

Unit: Yen	Year ended March 31, 2010	Year ending March 31, 2011	
	2Q (01 Jul 2009 – 30 Sep 2009)	1Q (01 Apr 2010 – 30 Jun 2010)	2Q (01 Jul 2010 – 30 Sep 2010)
Average exchange rate	95.34	91.89	88.06
Last day exchange rate	90.22	88.52	83.80

- The average exchange rate for the three months ended September 30, 2010 was ¥88.06 to the US dollar
- The value of the yen climbed ¥3.83 compared with the previous quarter. As a result, net sales and operating income declined ¥1.8 billion and ¥0.9 billion, respectively
- On a year-on-year basis, net sales and operating income declined ¥3.5 billion and ¥2.4 billion, respectively, owing to the ¥7.28 appreciation in the value of the yen

Note: The results from the impact of exchange-rate fluctuations include the impact of currencies other than US dollars.

Despite a substantial increase in net sales, net loss increased due to extraordinary losses

Unit: Millions of yen	Year ended March 31, 2010	Year ending March 31, 2011	Increase (Decrease)	
	1H (01 Apr 2009 – 30 Sep 2009)	1H (01 Apr 2010 – 30 Sep 2010)	Amount	%
Net sales	94,996	112,877	17,880	18.8
Operating income	1,842	8,102	6,260	339.8
Ordinary income	121	6,538	6,416	—
Net income	(1,420)	(3,148)	(1,728)	—

Operating income: Increased on the back of such factors as an upswing in sales volumes and successful efforts to reduce the cost of sales

Extraordinary loss: Recorded an extraordinary loss of ¥8.8 billion representing the loss on disposal and sales of property, plant and equipment and an impairment loss. This was mainly attributable to structural reforms implemented in the optical media products business

Increase in sales of capacitors, ferrite and applied products; decrease in sales of optical media products

Unit: Millions of yen	Year ended March 31, 2010	Year ending March 31, 2011	Increase (Decrease)	
	1H (01 Apr 2009 – 30 Sep 2009)	1H (01 Apr 2010 – 30 Sep 2010)	Amount	%
Capacitors	43,015	55,188	12,172	28.3
Ferrite and applied products	14,910	16,408	1,497	10.0
Modules	17,984	17,993	9	0.1
Other electronic components	—	8,167	—	—
Optical media products	13,268	10,494	(2,774)	(20.9)
Others	—	4,625	—	—

Note: Effective from the fiscal year under review, product segments have been reclassified. Data for “Other electronic components” and “Others” for the previous fiscal year is therefore not presented.

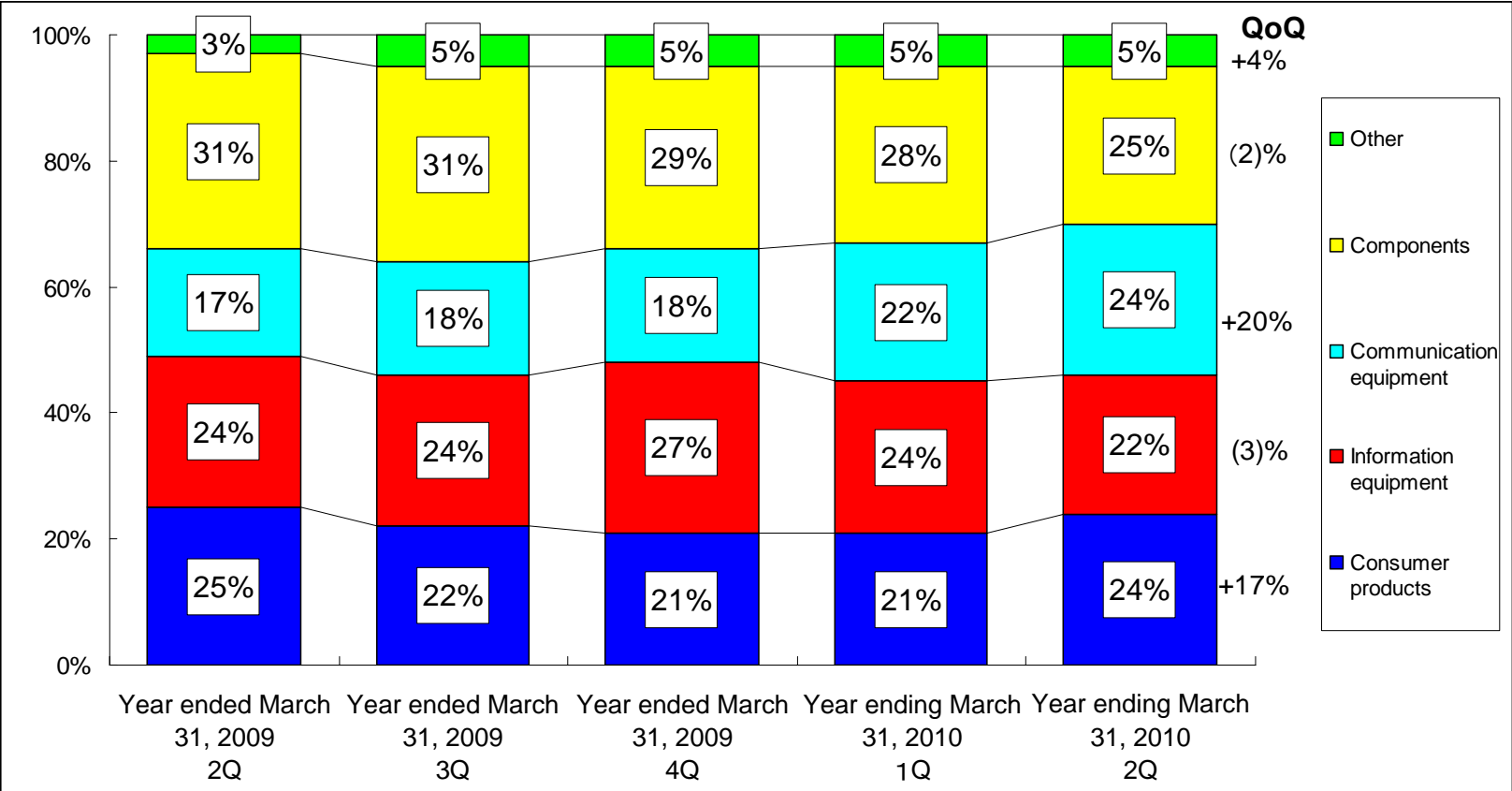
Unit: Yen	Year ended March 31, 2010	Year ending March 31, 2011
	1H (01 Apr 2009 – 30 Sep 2009)	1H (01 Apr 2010 – 30 Sep 2010)
Average exchange rate	96.57	89.98
Last day exchange rate	90.22	83.80

-Average exchange rate for first half of year: ¥89.98 to the US dollar

-On a year-on-year basis, net sales and operating income decreased ¥5.9 billion and ¥4.5 billion, respectively, owing to an appreciation in the value of the yen of ¥6.59

Note: The results from the impact of exchange-rate fluctuations include the impact of currencies other than US dollars.

Double-digit percentage growth in net sales compared with the previous quarter for consumer products and communication equipment



Unit: Millions of yen	Year ending March 31, 2011			Proportion of forecast
	2Q (01 Jul 2010 – 30 Sep 2010)	1H (01 Apr 2010 – 30 Sep 2010)	Full-year forecast [as of 5 Nov 2010]	%
R&D expenses	2,202	4,236	9,000	47.1
Capital investment	4,127	7,929	23,000	34.5
Depreciation expenses	5,130	9,968	21,500	46.4

Depreciation expenses: Full fiscal year forecast revised from ¥23.0 billion to ¥21.5 billion due to structural reforms implemented in the optical media products business

***Forecast of Consolidated Performance
for the Year Ending March 31, 2011***

TAIYO YUDEN

Net sales and profit revised downward compared with previous forecast

Unit: Millions of yen	Year ending March 31, 2011		Increase (Decrease)	
	Previous forecast [as of 04 Aug 2010]	Revised forecast [as of 05 Nov 2010]	Amount	%
Net sales	225,000	214,000	(11,000)	(4.9)
Operating income	15,500	10,000	(5,500)	(35.5)
Ordinary income	14,000	8,000	(6,000)	(42.9)
Net income	8,000	(2,500)	(10,500)	—

Exchange rate assumption: An average exchange rate of US\$1 : ¥81 for the second half of the fiscal year ending March 31, 2011

Forecast for Sales Performance by Product Classification for the Year Ending March 31, 2011

TAIYO YUDEN

Principal product classification net sales forecast revised downward

Unit: Millions of yen	Year ending March 31, 2011		Increase (Decrease)	
	Previous forecast [as of 04 Aug 2010]	Revised forecast [as of 05 Nov 2010]	Amount	%
Capacitors	109,500	104,000	(5,500)	(5.0)
Ferrite and applied products	32,000	30,500	(1,500)	(4.7)
Modules	35,500	33,500	(2,000)	(5.6)
Other electronic components	15,000	15,500	500	3.3
Optical media products	24,500	21,500	(3,000)	(12.2)
Others	8,500	9,000	500	5.9

Forecasts for the Second Six-Month Period for the Year Ending March 31, 2011

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Unit: Millions of yen	Previous forecast		Result	Revised forecast [as of 05 Nov 2010]
	[as of 27 Sep 2010]	[as of 04 Aug 2010]		
	1H (01 Apr2010 – 30 Sep 2010)	2H (01 Oct 2010 – 31 Mar 2011)	1H (01 Apr2010 – 30 Sep 2010)	2H (01 Oct 2010 – 31 Mar 2011)
Net sales	115,000	110,000	112,877	101,122
Operating income	9,000	6,500	8,102	1,897
Ordinary income	8,000	6,000	6,538	1,461
Net income	(2,800)	3,500	(3,148)	648

Forecast for Sales Performance by Product Classification for the Year Ending March 31, 2011

TAIYO YUDEN

Unit: Millions of yen	Previous forecast		Result	Revised forecast [as of 05 Nov 2010]
	[as of 27 Sep 2010]	[as of 04 Aug 2010]		
	1H (01 Apr 2010 – 30 Sep 2010)	2H (01 Oct 2010 – 31 Mar 2011)	1H (01 Apr 2010 – 30 Sep 2010)	2H (01 Oct 2010 – 31 Mar 2011)
Capacitors	56,500	53,000	55,188	48,811
Ferrite and applied products	17,000	15,000	16,408	14,091
Modules	18,500	17,000	17,993	15,506
Other electronic components	8,000	7,000	8,167	7,333
Optical media products	10,500	14,000	10,494	11,006
Others	4,500	4,000	4,625	4,375

Overview

(1) Reduce the production structure

• Production structure

Reduce the production structure for such existing products as CD-Rs and DVD-Rs; cutback in monthly aggregate production from 110 million units to 65 million units

• Inventory

Reduce the balance of inventories by approximately 40% by March 31, 2011 compared with March 31, 2010

(2) Reduce the scale of personnel

Cutback by approximately 45% through reassignment and other measures

※With personnel movements occurring within the Group, there will be no calls for voluntary retirement



Target a return to the black in the Company's optical media products business in the fiscal year ending March 31, 2012

Extraordinary loss attributable to structural reforms implemented in the optical media products business

Second quarter of the fiscal year ending March 31, 2011

Loss on disposal and sales of property, plant and equipment	¥1.8 billion
Impairment loss	¥7.0 billion
Total	¥8.8 billion



Decrease of approximately ¥1.5 billion in depreciation expenses on a third and fourth quarter cumulative basis

This document contains information about the plans, business results, and strategies of Taiyo Yuden Co., Ltd. and the Taiyo Yuden Group. These forward-looking statements other than historical facts represent judgments made by the Company based on information available at present and are inherently subject to a variety of uncertainties. Taiyo Yuden cannot provide any guarantee as to the attainment of certain figures in the future. The Company's actual activities and business results could differ significantly due to changes including, but not limited to, changes in the electronics market in which the Company's business activities are centered. Readers should not overly rely on the information contained in this document.