

May 13, 2011

***Consolidated Results
for the Year Ended March 31, 2011***

TAIYO YUDEN

Summary of Consolidated Financial Results for the Year Ended March 31, 2011

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Sales increased; net loss incurred due to posting of extraordinary loss

Unit: Millions of yen	Year ended March 31, 2010 (01 Apr 2009 - 31 Mar 2010)	Year ended March 31, 2011 (01 Apr 2010 - 31 Mar 2011)	Increase (Decrease)	
			Amount	%
Net sales	195,690	210,401	14,710	7.5
Operating income (loss)	4,203	8,792	4,588	109.1
Ordinary income (loss)	1,966	6,740	4,773	242.8
Net income (loss)	(680)	(5,506)	(4,826)	—

Operating income : Operating income grew due to increased sales volume and cost reductions.

Extraordinary loss : Posted ¥8.8 billion loss on disposal and sale of property, plant and equipment and impairment loss due to structural reforms of optical media products business.

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% compared with March 31, 2010

(2) Reduce the scale of personnel

Cutback by approximately 45% through reassignment and other measures



Strengthening initiatives to achieve profitability for the year ending March 31, 2012

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

(Recorded in the second quarter of the year ending March 31, 2011)

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



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

Increased sales and income in electronic components business; losses in optical media products and other businesses

Unit: Millions of yen	Year ended March 31, 2010 <small>(01 Apr 2009 - 31 Mar 2010)</small>	Year ended March 31, 2011 <small>(01 Apr 2010 - 31 Mar 2011)</small>	Increase (Decrease)	
			Amount	%
Electronic components	160,786	179,869	19,083	11.9
Optical media and others	34,904	30,532	(4,372)	(12.5)
Net sales	195,690	210,401	14,710	7.5
Electronic components	7,895	12,279	4,383	55.5
Optical media and others	(3,691)	(3,486)	204	—
Operating income	4,203	8,792	4,588	109.1

Net Sales by Product Classification for the Year Ended March 31, 2011

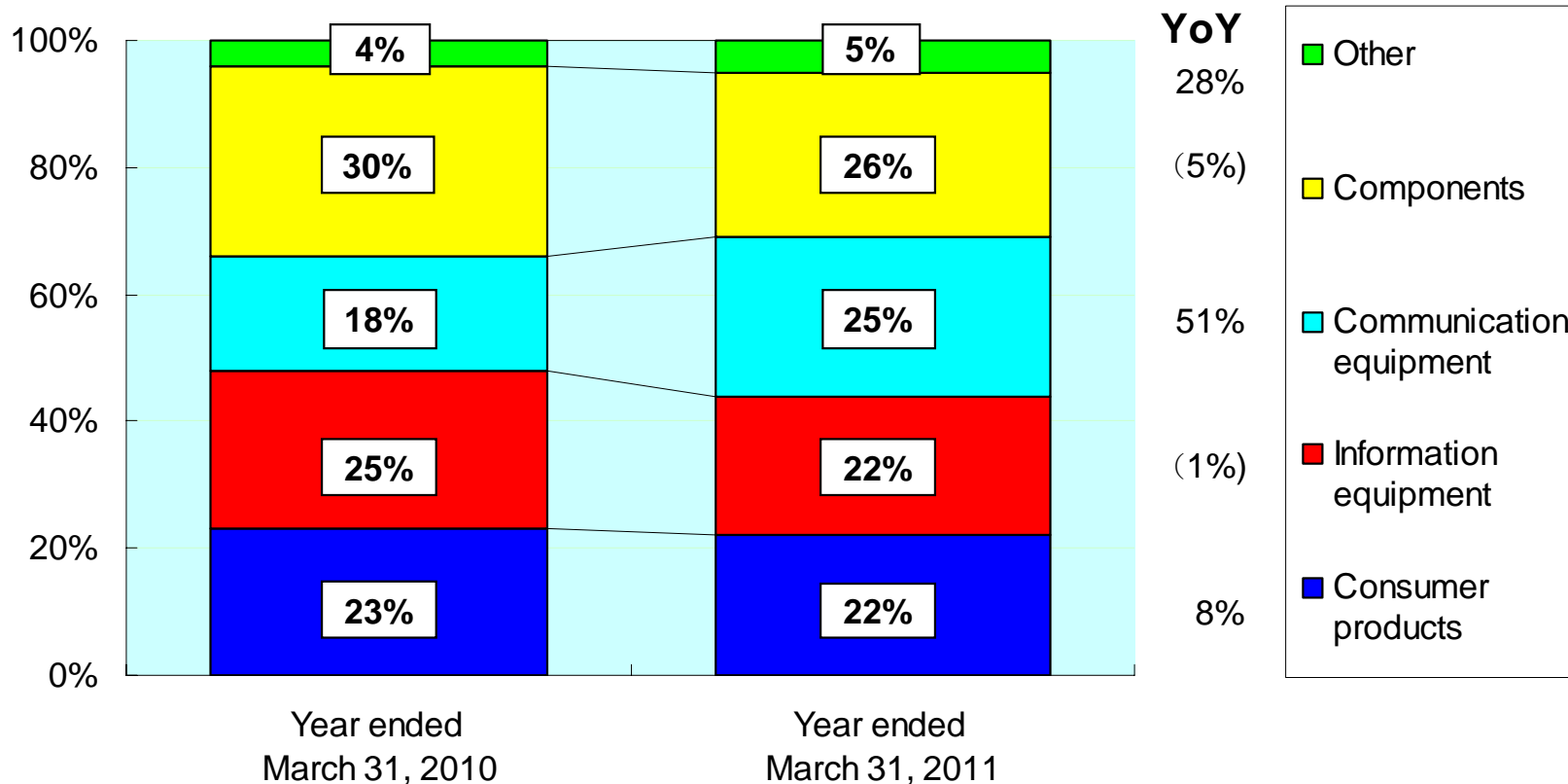
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Increase in sales of capacitors, ferrite and applied products and other electronic components

Unit: Millions of yen	Year ended March 31, 2010 (01 Apr 2009 - 31 Mar 2010)	Year ended March 31, 2011 (01 Apr 2010 - 31 Mar 2011)	Increase (Decrease)	
			Amount	%
Capacitors	91,045	101,560	10,515	11.5
Ferrite and applied products	29,522	31,018	1,496	5.1
Modules	36,463	31,763	(4,700)	(12.9)
Other electronic components	3,755	15,527	11,771	313.5
Electronic components	160,786	179,869	19,083	11.9
Optical media products	26,823	20,479	(6,344)	(23.7)
Others	8,080	10,052	1,972	24.4
Optical media and others	34,904	30,532	(4,372)	(12.5)
Total	195,690	210,401	14,710	7.5

Sales of Electronic Components by Market Sector for the Year Ended March 31, 2011

Business expansion and increased smartphone demand boosted communication equipment-related sales



Yen/US Dollar Exchange Rate for the Year Ended March 31, 2011 and Impact on Performance

Unit: Yen	Year ended March 31, 2010 (01 Apr 2009 – 31 Mar 2010)	Year ended March 31, 2011 (01 Apr 2010 – 31 Mar 2011)
Average exchange rate	93.48	86.46
Last day exchange rate	93.05	83.15

- The average foreign currency exchange rate was US\$1:¥86.46. Accordingly, the value of the yen appreciated by ¥7.02 year on year
- Net sales were negatively impacted by 12.2 billion yen due to exchange rate changes
- Operating income was negatively impacted by 8.7 billion yen due to exchange rate changes

Note: Results from the impact of exchange rate fluctuations take into consideration movements in currencies other than US dollars.

Key Expenditure Figures for the Year Ended March 31, 2011

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Unit: Millions of yen	Year ended March 31, 2010 (01 Apr 2009 – 31 Mar 2010)	Year ended March 31, 2011 (01 Apr 2010 – 31 Mar 2011)	Increase (Decrease)	
			Amount	%
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)

Capital investment : Significant year-on-year increase of 87%, with restart of restrained investments decline

Depreciation and amortization: 19% decrease from the previous year, due to small investment amount in the previous year

Sales and income down from the previous quarter

Unit: Millions of yen	Year ended March 31, 2011				Increase (Decrease)	
	1Q (01 Apr 2010 – 30 Jun 2010)	2Q (01 Jul 2010 – 30 Sep 2010)	3Q (01 Oct 2010 – 31 Dec 2010)	4Q (01 Jan 2011 – 31 Mar 2011)	Amount	%
Net sales	54,948	57,928	51,613	45,911	(5,701)	(11.0)
Operating income (loss)	3,760	4,342	2,121	(1,431)	(3,552)	—
Ordinary income (loss)	3,467	3,070	1,575	(1,373)	(2,948)	—
Net income (loss)	3,575	(6,724)	1,049	(3,406)	(4,455)	—

Quarterly Net Sales by Product Classification for the Year Ended March 31, 2011

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Decreased sales and income from the previous quarter for all products

Unit: Millions of yen	Year ended March 31, 2011				Increase (Decrease)	
	1Q (01 Apr 2010 – 30 Jun 2010)	2Q (01 Jul 2010 – 30 Sep 2010)	3Q (01 Oct 2010 – 31 Dec 2010)	4Q (01 Jan 2011 – 31 Mar 2011)	Amount	%
Capacitors	26,689	28,499	23,958	22,413	(1,544)	(6.4)
Ferrite and applied products	8,190	8,217	7,401	7,209	(192)	(2.6)
Modules	8,848	9,145	7,532	6,237	(1,294)	(17.2)
Other electronic components	3,960	4,206	3,733	3,625	(107)	(2.9)
Electronic components	47,688	50,069	42,625	39,486	(3,139)	(7.4)
Optical media products	5,550	4,943	5,874	4,110	(1,763)	(30.0)
Others	1,709	2,916	3,113	2,314	(798)	(25.7)
Optical media and others	7,260	7,859	8,987	6,425	(2,562)	(28.5)
Total	54,948	57,928	51,613	45,911	(5,701)	(11.0)

Quarterly Yen/US Dollar Exchange Rate and Impact on Performance for the Year Ended March 31, 2011

Unit: Yen	Year ended March 31, 2011	
	3Q (01 Oct 2010 - 31 Dec 2010)	4Q (01Jan 2011 - 31Mar 2011)
Average exchange rate	82.98	82.89
Last day exchange rate	81.52	83.15

- Average yen exchange rate to the US dollar was ¥82.89, essentially unchanged from the previous quarter
- Net sales were negatively impacted by 7 million yen due to exchange rate changes
- Operating income was negatively impacted by 67 million yen due to exchange rate changes

Note: Results from the impact of exchange rate fluctuations take into consideration movements in currencies other than US dollars.

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***Forecast of Consolidated Performance
for the Year Ending March 31, 2012***

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Consolidated Earnings Forecast for the Year Ending March 31, 2012

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Forecasts for net sales and operating income
¥220.0 billion and ¥10.0 billion, respectively

Unit: Millions of yen	Year ended March 31, 2011 (01 Apr 2010 – 31 Mar 2011)	Year ending March 31, 2012 (01 Apr 2011 – 31 Mar 2012)	Increase (Decrease)	
			Amount	%
Net sales	210,401	220,000	9,598	4.6
Operating income	8,792	10,000	1,207	13.7
Ordinary income	6,740	9,000	2,259	33.5
Net income (loss)	(5,506)	4,000	9,506	—

Exchange rate: Estimated average yen exchange rate to the US dollar: ¥85.00 (up ¥1.46 year on year)

Drop in unit prices: Projected 15% decrease in unit prices of single item components

Impact of Great East Japan Earthquake: Decreases of ¥10.0 billion in sales and ¥3.0 billion in operating income

Forecast for Sales Performance by Product Segment for the Year Ending March 31, 2012

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Revenue growth expected in electronic components such as capacitors, and ferrite and applied products

Unit: Millions of yen	Year ended March 31, 2011 (01 Apr 2010 - 31 Mar 2011)	Year ended March 31, 2012 (01 Apr 2011 - 31 Mar 2012)	Increase (Decrease)	
			Amount	%
Capacitors	101,560	109,000	7,439	7.3
Ferrite and applied products	31,018	34,000	2,981	9.6
Modules	31,763	34,000	2,236	7.0
Other electronic components	15,527	21,000	5,472	35.2
Electronic components	179,869	198,000	18,130	10.1
Optical media products	20,479	15,000	(5,479)	(26.8)
Others	10,052	7,000	(3,052)	(30.4)
Optical media and others	30,532	22,000	(8,532)	(27.9)
Total	210,401	220,000	9,598	4.6

Forecast for Key Expenditure Figures in the Year Ending March 31, 2012

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Unit: Millions of yen	Year ended March 31, 2011 (01 Apr 2010 – 31 Mar 2011)	Year ending March 31, 2012 (01 Apr 2011 – 31 Mar 2012)	Increase (Decrease)	
			Amount	%
R&D expenses	8,475	8,500	24	0.3
Capital investment	17,519	32,000	14,480	82.7
Depreciation and amortization	19,309	21,000	1,690	8.8

Capital investment: Capital investment of ¥32.0 billion planned, focusing on capacitor, inductor, and SAW filter capacity

Half-Year Consolidated Earnings Forecast for the Year Ending March 31, 2012

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Unit: Millions of yen	Year ended March 31, 2011		Year ending March 31, 2012	
	1H (01 Apr 2010 – 30 Sep 2010)	2H (01 Oct 2010 - 31 Mar 2011)	1H (01 Apr 2011 - 30 Sep 2012)	2H (01 Oct 2011 – 31 Mar 2012)
Net sales	112,877	97,524	106,000	114,000
Operating income	8,102	689	3,500	6,500
Ordinary income	6,538	201	3,000	6,000
Net income (loss)	(3,148)	(2,357)	1,200	2,800

Response to electric power restrictions

Installation of private power generators

Shifting of production domestically and overseas

Aftershock-related measures

Seismic resistance measures, including strengthened anchoring of production equipment (That's Fukushima)



Continue stable production and fulfill supply responsibilities to customers

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