

We provide this document for the convenience of investors. This includes excerpts from our earnings report for the six months ended September 30, 2011 with the Tokyo Stock exchange on November 9, 2011.

November 9, 2011

Company name: TAIYO YUDEN CO., LTD.
 URL: <http://www.ty-top.com/>
 Representative: Eiji Watanuki, President and Representative Director
 Contact: Toshiaki Yokota, General Manager, Finance and Accounting Department
 Telephone number: +81-3-3832-0101
 Listing exchange: Tokyo Stock Exchange (Code Number: 6976)

Consolidated Results for the Six Months Ended September 30, 2011 (April 1, 2011 – September 30, 2011)

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

Overview of Operating Results

Item	Period	Six months ended September 30, 2010		Six months ended September 30, 2011		Increase/(Decrease)	
		Amount	Share[%]	Amount	Share[%]	Amount	[%]
Net sales		112,877	100.0	97,124	100.0	(15,752)	(14.0)
Operating income		8,102	7.2	(1,758)	(1.8)	(9,861)	-
Ordinary income		6,538	5.8	(3,665)	(3.8)	(10,203)	-
Income (loss) before income taxes and minority interests		(1,769)	(1.6)	(4,388)	(4.5)	(2,619)	-
Net income (loss)		(3,148)	(2.8)	(9,111)	(9.4)	(5,962)	-
Comprehensive Income		(9,290)	-	(15,397)	-	(6,107)	-
Net income (loss) per share [Yen]		(26.77)		(77.49)			
Diluted net income per share [Yen]		-		-			
R&D expenses		4,236		4,018		(217)	(5.1)
Capital investment		11,091		15,350		4,259	38.4
Depreciation and amortization		9,968		9,017		(951)	(9.5)

Notes:

- Share data is computed as a ratio of net sales.
- Although diluted shares exist for the period of six months ended September 30, 2010, and September 30, 2011, diluted net income per share is not disclosed since there is net loss per share for the period.

Item	As of March 31, 2011	As of September 30, 2011	Increase/(Decrease)	
			Amount	[%]
Total assets	221,272	211,158	(10,116)	(4.6)
Net assets	127,626	111,446	(16,179)	(12.7)
Equity ratio	57.4%	52.6%	(4.8)pt	-
Net assets per share [Yen]	1,080.61	944.63	(135.98)	(12.6)

Net Sales by Product Classification

Product classification	Six months ended September 30, 2010		Six months ended September 30, 2011		Increase/(Decrease)	
	Amount	Share[%]	Amount	Share[%]	Amount	[%]
Capacitors	55,188	48.9	46,006	47.4	(9,182)	(16.6)
Ferrite and applied products	16,408	14.5	15,018	15.4	(1,389)	(8.5)
Modules	17,993	15.9	15,800	16.3	(2,193)	(12.2)
Other electronic components	8,167	7.3	9,044	9.3	877	10.7
Electronic components	97,757	86.6	85,869	88.4	(11,888)	(12.2)
Optical media products	10,494	9.3	7,678	7.9	(2,815)	(26.8)
Others	4,625	4.1	3,575	3.7	(1,049)	(22.7)
Optical media and others	15,119	13.4	11,254	11.6	(3,864)	(25.6)
Total	112,877	100.0	97,124	100.0	(15,752)	(14.0)

TAIYO YUDEN

Consolidated Results for the six months ended Sep 30, 2011

November 9, 2011

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, 2011 to September 30, 2011

(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, 2011	97,124	(14.0)	(1,758)	—	(3,665)	—	(9,111)	—
Six months ended September 30, 2010	112,877	18.8	8,102	339.8	6,538	—	(3,148)	—

Note: Comprehensive income

ended on September 30, 2011 (15,397) million yen ; -% ended on September 30, 2010 (9,290) million yen ; -%

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2011	(77.49)	—
Six months ended September 30, 2010	(26.77)	—

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2011	211,156	111,466	52.6	944.63
As of March 31, 2011	221,272	127,626	57.4	1,080.61

(Reference) Shareholder's equity As of September 30, 2011 111,071 million yen As of March 31, 2011 127,065 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, 2011	—	5.00	—	5.00	10.00
Year ending March 31, 2012	—	2.50			
Year ending March 31, 2012 (forecast)			—	2.50	5.00

Note: There are changes in the forecasted dividend during the second quarter ended September 30, 2011.

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

(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, 2012	189,000	(10.2)	(7,000)	-	(10,000)	-	(16,000)	-	(136.07)

Note: There are changes in the forecasted results during the second quarter ended September 30, 2011.

4. Other

(1) Changes in principal subsidiaries during the six months ended September 30, 2011: No

(2) Adoption of specific accounting procedures for quarterly consolidated reporting: No.

(3) Changes in accounting policies and accounting estimates, and restatements

a. Changes in accounting policies due to the revision of accounting standards: No

b. Changes in accounting policies by other reasons factor: No

c. Changes in accounting estimates: No.

d. Restatement: No

(4) Number of common shares outstanding :

a. Number of common shares outstanding (including treasury stock):

As of September 30, 2011 120,481,395 shares As of March 31, 2011 120,481,395 shares

b. Number of treasury stock:

As of September 30, 2011 2,898,970 shares As of March 31, 2011 2,894,450 shares

c. Average number of common shares outstanding:

Six months ended September 30, 2011 117,584,651 shares Six months ended September 30, 2010 117,605,255 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 quarterly review 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.

3. TAIYO YUDEN will post the financial supplementary data for on its web-site.

Qualitative Information Concerning Financial Statements and Other

1. Qualitative Information Concerning Consolidated Operating Results

During the six months ended September 30, 2011 of the fiscal year ending March 31, 2012, Japan's economy showed signs of a gradual recovery from a slump in production activities attributable to problems with power supplies and disruptions in the supply chain caused by the Great East Japan Earthquake. However, the historical strength of the Japanese yen against major currencies meant that challenging conditions persisted. In addition, Europe's financial crisis has triggered credit uncertainty, while a sense of economic slowdown spreads among developed countries, including stagnation in the United States economy. While emerging countries continue to grow, economic uncertainty toward the future remains unchanged.

Within the electronics industry, the smartphone market has grown steadily, but inventory adjustments continue for PCs and LCD panels, indicating demand for electronic components maintained a weak undertone.

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.

In the Modules classification, we expanded applications and augmented production capacity for embedded-parts multilayer wiring substrate "EOMIN®," while at the same time actively advancing promotions as well as enhancing our product strengths for high frequency modules.

In Other Electronic Components, the Companies augmented production capacity of SAW/FBAR devices for the mobile phone market, including smartphones, and strived to build a structure for expanding sales and providing a stable supply of products.

In Optical Media Products, the Companies embarked on structural reforms during the previous fiscal year and strengthened initiatives aimed at returning to the black.

Consolidated net sales for the six-month period ended September 30, 2011 amounted to ¥97,124 million, a decline of 14.0% compared with the corresponding period of the previous fiscal year. The Companies incurred an operating loss of ¥1,758 million, compared to an operating profit of ¥8,102 million for the same period of the previous fiscal year, and an ordinary loss of ¥3,665 million compared to an ordinary profit of ¥6,538 million for the corresponding period of the previous fiscal year. The Companies incurred a net loss of ¥9,111 million compared with a net loss of ¥3,148 million in the same period of the previous fiscal year due to the reversal of deferred tax assets.

The average foreign currency exchange rate for the six months ended September 30, 2011 was US\$1: ¥80.63. Compared with US\$1: ¥89.98 in the previous fiscal year, the value of the yen appreciated ¥9.35.

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 six-month period ended September 30, 2011, classification sales for capacitors declined by 16.6% compared with the corresponding period of the previous fiscal year to ¥46,006 million. This was attributed to a drop in sales for consumer productions, such as TVs, information productions, such as PCs, and electronic components, such as those used in LCD panels.

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, 2011 were ¥15,018 million, or a year-on-year decrease of 8.5%, as product sales for all equipment types were down across the board compared to the corresponding period of the previous fiscal year.

Modules

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

For the six-month period ended September 30, 2011, sales of power supply and high frequency modules declined compared with the corresponding period of the previous fiscal year. As a result, module sales were down

12.2% year on year to ¥15,800 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, 2011 declined 10.7% year on year to ¥9,044 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).

In the six-month period ended September 30, 2011, sales of CD-Rs and DVD-Rs/DVD+Rs decreased compared with the corresponding period of the previous fiscal year, as classification sales fell 26.8% year on year to ¥7,678 million.

Others

Sales in this segment primarily come from the mounting business of a subsidiary company. For the six-month period ended September 30, 2011, sales in this segment fell 22.7% year on year to ¥3,575 million.

2. Qualitative Information Concerning Consolidated Financial Condition

(1) Changes in Financial Condition

Total assets as of the end of the six-month period ended September 30, 2011 declined ¥10,116 million compared with the end of the previous fiscal year. Major movements included a decrease in current assets by ¥8,106 million. The principal factor for this was a decrease in cash and deposits of ¥10,357 million, an increase in trade notes and accounts receivable of ¥1,353 million, and a rise in other current assets of ¥889 million. Fixed assets decreased by ¥2,009 million due mainly to a rise in property, plant and equipment of ¥2,659 million, a decline in intangible fixed assets of ¥410 million, and a fall in investments and other assets of ¥4,258 million.

Total liabilities as of the end of the six-month period ended September 30, 2011 increased ¥6,063 million. This was mainly attributable to an increase in trade notes and accounts payable of ¥1,364 million, an increase in short-term borrowings of ¥5,799 million, a decrease in long-term borrowings with less than one-year remaining until the repayment date of ¥7,896 million, an increase in long-term borrowings of ¥9,852 million, and a decline in the accrued retirement benefits provision for employees of ¥1,856 million

Net assets as of the end of the six-month period ended September 30, 2011 declined ¥16,179 million.

(2) Cash Flows

Net cash provided by operating activities for the six-month period ended September 30, 2011 amounted to ¥3,292 million, a decrease of 77.1% compared with the corresponding period of the previous fiscal year. Major cash inflows were depreciation and amortization of ¥9,017 million and an increase in trade receivables of ¥5,107 million. Principal cash outflows included a net loss before taxes and minority interests of ¥4,388 million, an increase in inventory assets of ¥1,715 million and an increase in accounts payable of ¥4,589 million.

Net cash used in investing activities for the six-month period ended September 30, 2011 totaled ¥18,584 million, an increase of 128.5% compared with the corresponding period of the previous fiscal year. The largest cash outflow was ¥18,470 million paid for purchases of property, plant and equipment.

Net cash provided by financing activities for the six-month period ended September 30, 2011 totaled ¥6,678 million, compared with net cash used in financing activities of ¥5,787 million for the corresponding period of the

previous fiscal year. The main factors for this included a net increase in short-term borrowings of ¥6,018 million and payment of cash dividends of ¥588 million.

As a result of aforementioned activities, cash and cash equivalent as of September 30, 2011 decreased ¥10,122 million from the end of the previous fiscal year, to ¥28,689 million.

3. Qualitative Information Concerning Forecasts of Consolidated Operating Results

Taking into consideration the Companies' consolidated performance for the six-month period ended September 30, 2011, TAIYO YUDEN revised its consolidated operating results forecasts for the full fiscal year ending March 31, 2012, previously announced on August 5, 2011. For details and the revised figures, please refer to TAIYO YUDEN's press release "Notice concerning Discrepancies between Operating Results Forecasts for the First Half and Actual Results, Revisions to the Full Year Operating Results Forecast and the Reversal of Deferred Tax Assets" announced today November 9, 2011.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of September 30, 2011
ASSETS		
Current assets:		
Cash and deposits	39,957	29,600
Trade notes and accounts receivable	41,190	42,544
Merchandise and finished products	13,275	13,733
Work in process	9,318	9,241
Raw materials and supplies	9,893	9,544
Other	6,156	7,046
Allowance for doubtful receivables	(216)	(239)
Total current assets	119,575	111,469
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	62,069	61,544
Machinery and equipment	179,944	183,449
Tools, furniture and fixtures	17,648	17,446
Land	7,715	7,705
Construction in progress	10,742	7,951
Accumulated depreciation	(190,517)	(187,835)
Net property, plant and equipment	87,602	90,261
Intangible fixed assets:		
Goodwill	2,646	2,223
Other	784	795
Total intangible fixed assets	3,430	3,019
Investments and other assets:		
Investment securities	4,677	3,928
Other	6,237	2,706
Allowance for doubtful receivables	(250)	(229)
Total investments and other assets	10,664	6,405
Total fixed assets	101,696	99,686
Total assets	221,272	211,156

(Millions of yen)

	As of March 31, 2011	As of September 30, 2011
LIABILITIES		
Current liabilities:		
Trade notes and accounts payable	17,047	18,412
Short-term borrowings	2,996	8,795
Current portion of long-term borrowings	12,539	4,643
Income taxes payable	1,120	570
Accrued bonuses for employees	2,951	3,163
Accrued bonuses for directors	46	25
Other	18,699	16,309
Total current liabilities	55,402	51,920
Long-term liabilities:		
Convertible bonds with stock acquisition rights	20,000	20,000
Long-term borrowings	9,469	19,322
Accrued retirement benefits for employees	3,400	1,543
Accrued retirement benefits for directors and corporate auditors	136	86
Negative goodwill	51	41
Other	5,185	6,796
Total long-term liabilities	38,244	47,789
Total liabilities	93,646	99,710
NET ASSETS		
Shareholders' equity:		
Common stock	23,557	23,557
Capital surplus	41,471	41,471
Retained earnings	89,301	79,602
Treasury stock	(3,620)	(3,625)
Total shareholders' equity	150,709	141,005
Total Accumulated Other Comprehensive Income		
Net unrealized holding gains on securities	381	32
Deferred gains (losses) on hedges	(49)	5
Foreign currency translation adjustments	(23,975)	(29,971)
Accumulated Other Comprehensive Income	(23,643)	(29,933)
Stock acquisition rights	287	329
Minority interests	272	45
Total net assets	127,626	111,446
Total liabilities and net assets	221,272	211,156

(2) Consolidated Statements of Operations and Comprehensive Income

(Consolidated Statements of Operations)

(Six months ended September 30, 2011)

(Millions of yen)

	Six months ended September 30, 2010	Six months ended September 30, 2011
Net sales	112,877	97,124
Cost of sales	85,958	80,775
Gross profit	26,918	16,348
Selling, general and administrative expenses	18,816	18,107
Operating income (loss)	8,102	(1,758)
Non-operating income:		
Interest income	100	85
Dividend income	53	66
Equity in earnings of affiliates	15	31
Subsidies	36	14
Other	81	81
Total non-operating income	286	279
Non-operating expenses:		
Interest expense	253	202
Loss on foreign exchange	1,127	1,635
Depreciation of inactive noncurrent assets	429	153
Other	40	195
Total non-operating expenses	1,850	2,186
Ordinary income (loss)	6,538	(3,665)
Extraordinary gains:		
Gain on sales of property, plant and equipment	911	13
Gain on change of employee retirement benefit plan	-	54
Other	114	13
Total extraordinary gains	1,025	82
Extraordinary losses:		
Loss on disposal and sales of property, plant and equipment	1,955	219
Impairment loss	7,230	109
Loss on disposal of inventories	114	53
Loss on devaluation of investment securities	-	412
Loss on adjustment for changes of accounting standard for asset retirement obligations	27	-
Other	6	10
Total extraordinary losses	9,333	805
(Loss) before income taxes and minority interests	(1,769)	(4,388)
Income taxes—current	1,542	406
Income taxes—deferred	(169)	4,312
Total income taxes	1,373	4,718
(Loss) before minority interests	(3,142)	(9,106)
Minority interests in income	6	4
Net (loss)	(3,148)	(9,111)

(Consolidated Statements of Comprehensive Income)

(Six months ended September 30, 2011)

(Millions of yen)

	Six months ended September 30, 2010	Six months ended September 30, 2011
Loss before minority interests	(3,142)	(9,106)
Other comprehensive income		
Net unrealized holding gains (losses) on securities	(470)	(349)
Deferred gains (losses) on hedges	115	55
Foreign cyrrency translation adjustments	(5,792)	(5,995)
Total other comprehensive income	(6,147)	(6,290)
Comprehensive income	(9,290)	(15,397)
(Breakdown)		
Comprehensive income (loss) attributable to shareholders	(9,296)	(15,400)
Comprehensive income (loss) attributable to minority interest	5	2

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2010	Six months ended September 30, 2011
Operating activities:		
Income (loss) before income taxes and minority interests	(1,769)	(4,388)
Depreciation and amortization	9,968	9,017
Impairment loss	7,230	109
Loss on adjustment for changes of accounting standard for asset retirement obligations	27	-
Amortization of goodwill	422	422
Amortization of negative goodwill	(10)	(10)
Increase (decrease) in allowance for doubtful receivables	(57)	25
Increase (decrease) in accrued bonuses for employees	1,041	260
Increase (decrease) in accrued bonuses for directors	11	(21)
Increase (decrease) in accrued retirement benefits for directors and corporate auditors	0	(48)
Interest and dividend income	(154)	(151)
Interest expense	253	202
Equity in earnings of affiliate	(15)	(31)
(Gain) loss on disposal and sales of property, plant and equipment	1,043	205
Loss on devaluation of investment securities	-	412
(Increase) decrease in trade receivables	(3,716)	(5,107)
(Increase) decrease in inventories	(3,482)	(1,715)
Increase (decrease) in trade payables	5,742	4,589
Other	(494)	440
Subtotal	16,040	4,209
Interest and dividends received	152	157
Interest paid	(249)	(199)
Income taxes (paid) refunded	(1,545)	(875)
Net cash provided by operating activities	14,397	3,292
Investing activities:		
Net (increase) decrease in time deposits	(1,204)	111
Purchases of property, plant and equipment	(7,929)	(18,470)
Proceeds from sales of property, plant and equipment	1,069	61
Purchases of investment securities	(37)	(150)
Proceeds by sales of investment security	-	5
Other	(32)	(141)
Net cash used in investing activities	(8,134)	(18,584)
Financing activities:		
Net increase (decrease) in short-term borrowings	(2,688)	6,018
Proceeds from long-term borrowings	-	12,000
Repayments of long-term borrowings	(2,030)	(10,043)
Proceeds from stock issuance to minority shareholders	-	5
Expenditure for purchase of shares from minority shareholder	-	(223)
Purchases of treasury stock	(10)	(4)
Payments of cash dividends	(589)	(588)
Repayments of lease obligations	(467)	(485)
Other	(0)	-
Net cash provided (used) by financing activities	(5,787)	6,678
Effect of exchange rate changes on cash and cash equivalents	(1,632)	(1,508)
Net increase (decrease) in cash and cash equivalents	(1,156)	(10,122)
Cash and cash equivalents at beginning of the year	40,451	38,811
Cash and cash equivalents at end of period	39,295	28,689

5. Supplementary Information

Net Sales by Product Classification

(Millions of yen)

Product classification		Six months ended September 30, 2010		Six months ended September 30, 2011	
		Amount	Share [%]	Amount	Share [%]
	Capacitors	55,188	48.9	46,006	47.4
	Ferrite and applied products	16,408	14.5	15,018	15.4
	Modules	17,993	15.9	15,800	16.3
	Other electronic components	8,167	7.3	9,044	9.3
	Electronic components	97,757	86.6	85,869	88.4
	Optical media products	10,494	9.3	7,678	7.9
	Others	4,625	4.1	3,575	3.7
	Optical media and others	15,119	13.4	11,254	11.6
	Total	112,877	100.0	97,124	100.0