

***Forecast of Consolidated Performance
for the Year Ending March 31, 2012
and
Measures to Improve Profitability***

TAIYO YUDEN

Eiji Watanuki

President and Representative Director

- Consolidated Performance
for the Year Ending March 31, 2012
- Measures to Improve Profitability
- Course of Action
under New Management Structure

Consolidated Financial Results for 1H of the Year Ending March 31, 2012

Nov. 10, 2011

Unit: Millions of yen	1H of the year ending March 31, 2012		Increase (Decrease)	
	Previous forecast [as of 05 Aug, 2011]	Result	Amount	%
Net sales	98,000	97,124	(876)	(0.9)
Operating income	0	(1,758)	(1,758)	---
Ordinary income	(1,400)	(3,665)	(2,265)	---
Net income	(2,500)	(9,111)	(6,611)	---

Operating income: Goals were not achieved, and operations have been reduced to make cutbacks in inventory. Recovery in orders is not anticipated in the second half.

Ordinary income: Goals were not achieved, as loss on foreign exchange has been generated by rapid appreciation of the yen in the latter part of the term.

Net income: Losses expanded significantly due to reversal (¥4.4 billion) of deferred tax assets

Forecasts for the Year Ending March 31, 2012

Nov. 10, 2011

Unit: Millions of yen	Year ending March 31, 2012		Increase (Decrease)	
	Previous forecast [as of 05 Aug, 2011]	Revised forecast [as of 09 Nov, 2011]	Amount	%
Net sales	212,000	189,000	(23,000)	(10.8)
Operating income	6,500	(7,000)	(13,500)	---
Ordinary income	4,600	(10,000)	(14,600)	---
Net income	300	(16,000)	(16,300)	---

Market environment: While growth is occurring in smartphones, key markets including PCs and LCD TVs are stagnant.

Exchange rate assumption: Assumption for third quarter onward is US\$1=¥77 (previous assumption: ¥85)

Based on business performance in the first half and expected performance for the entire fiscal year, and considering TAIYO YUDEN's policy on dividend distributions and the business environment, expected dividends are revised as follows.

Revised forecast for dividend per share

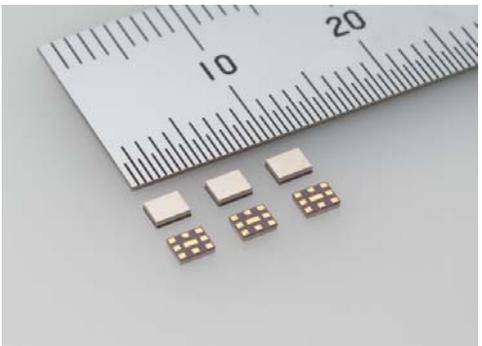
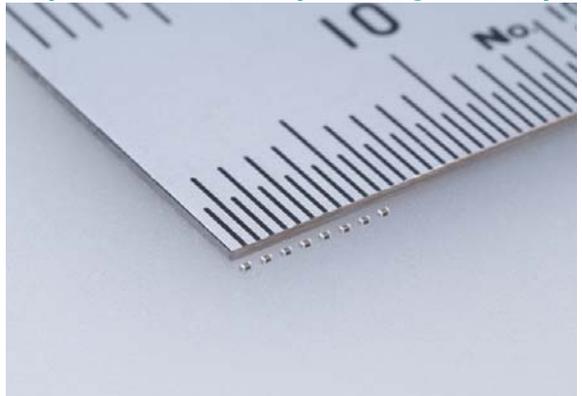
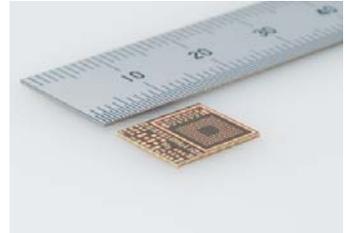
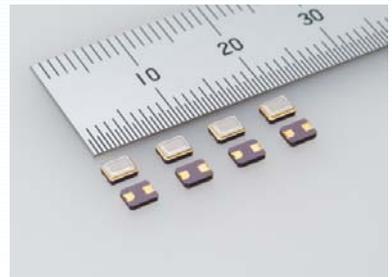
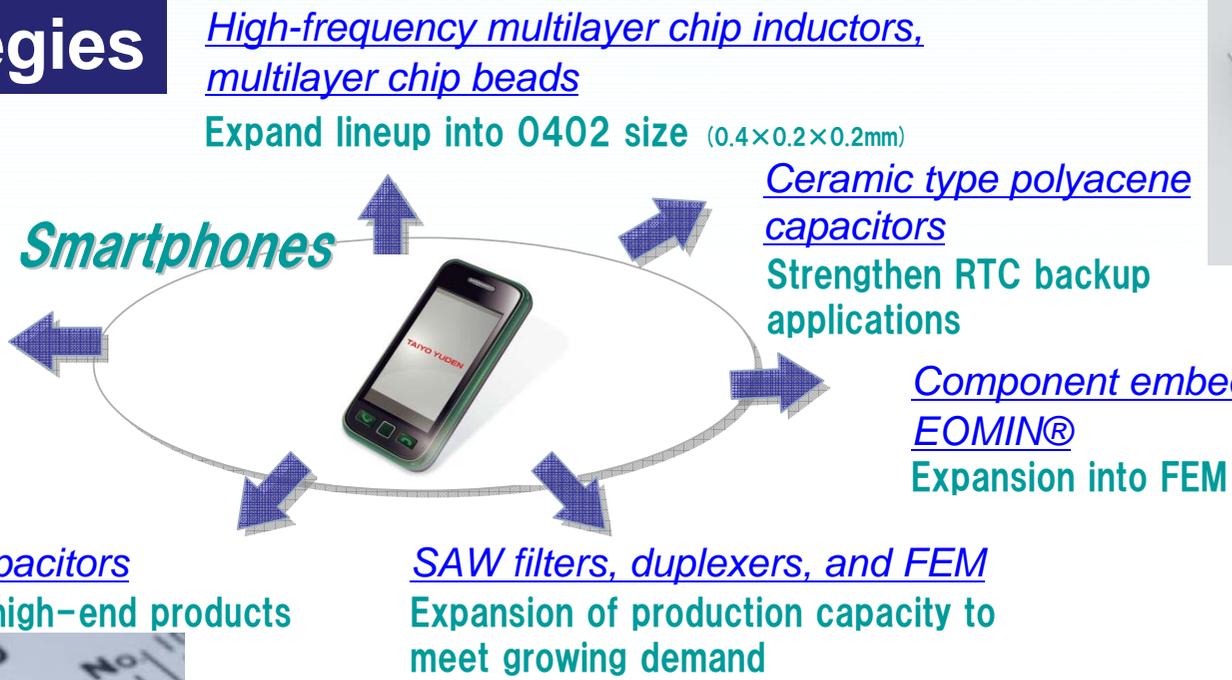
	2Q	4Q	Total
Previous Forecast [as of 12 May, 2011]	Yen 5.00	Yen 5.00	Yen 10.00
Revised Forecast	---	Yen 2.50	Yen 5.00
Actual	Yen 2.50	---	---

◇ Structural improvement measures

Reduction of fixed costs: ¥10 billion/year

1. Implementation of structural reform
 - Optimal use of overseas sites (overseas production rate: 53% →70%)
 - Withdrawal from unprofitable products
 - Restructuring of domestic and overseas sites and personnel reductions
 2. Restriction of capital investment (¥15 billion forecast for next fiscal year)
 3. Reduction of selling, general and administrative expenses; and other expenses
-
4. Lowering of currency exchange rate influence (40% reduction)

◇ Growth Strategies



Strengthen our product lineup toward the growing smartphone market. Accelerate new product offerings, centered on FAE.

◇ Growth Strategies

Key target markets

- Expansion of sales in industrial equipment, vehicle installation, and health care markets
 - Medium- and high-voltage / high-capacity (100 μ F and higher) multilayer ceramic capacitors

- Entry into environmental and energy markets
 - Solutions business centered on energy management technology

- Development of archive business for recording products

“Toward a Trusted and Exciting ‘Excellent Company!’”



- Strengthen FAEs (Field Application Engineers) and put solutions business into practice
- Survive by achieving low costs to meet market prices, through rapid improvements in productivity
- Strengthen business structure through creation of new products and top-selling products

Introduce the divisional organization to improve business speed throughout development, procurement, production, and sales; make maximum use of Group resources toward further globalization.

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.