

February 10, 2012

***Consolidated Results for
the Year Ending March 31, 2012
3Q***

(October 1, 2011 – December 31, 2011)

TAIYO YUDEN

Ordinary losses and net losses contracted and operating losses widened

Unit: Millions of yen	Year ending March 31, 2012		Increase (Decrease)	
	2Q (01 Jul 2011 – 30 Sep 2011)	3Q (01 Oct 2011 – 31 Dec 2011)	Amount	%
Net sales	50,088	44,307	(5,780)	(11.5)
Operating income	(1,100)	(2,475)	(1,375)	—
Ordinary income	(2,369)	(2,223)	146	—
Net income	(7,403)	(3,376)	4,026	—

Net sales: Sales fell several billion yen from forecast due to the impact of the floods in Thailand

Operating income: Operating losses widened due to drop in sales volume and downward pressure on unit price

Ordinary income: Ordinary losses contracted compared to 2Q when a ¥1,100 million loss on foreign exchange was incurred due to yen appreciation

Net income: Net losses contracted compared to 2Q driven by a ¥4,400 million reversal occurred in deferred tax assets

Seasonality was a key factor helping to increase sales and reduce losses in the optical media and others segment

Unit: Millions of yen	Year ending March 31, 2012		Increase (Decrease)	
	2Q (01 Jul 2011 – 30 Sep 2011)	3Q (01 Oct 2011 – 31 Dec 2011)	Amount	%
Electronic components	44,404	37,834	(6,569)	(14.8)
Optical media and others	5,683	6,472	788	13.9
Net sales	50,088	44,307	(5,780)	(11.5)
Electronic components	(465)	(2,385)	(1,920)	—
Optical media and others	(634)	(89)	544	—
Operating income	(1,100)	(2,475)	(1,375)	—

All products had a decrease in sales with the exception of optical media products

Unit: Millions of yen		Year ending March 31, 2012		Increase (Decrease)	
		2Q (01 Jul 2011 – 30 Sep 2011)	3Q (01 Oct 2011 – 31 Dec 2011)	Amount	%
Capacitors	22,948	20,047	(2,901)	(12.6)	
Ferrite and applied products	7,666	6,617	(1,049)	(13.7)	
Modules	8,371	6,411	(1,959)	(23.4)	
Other electronic components	5,418	4,760	(657)	(12.1)	
Electronic components	44,404	37,834	(6,569)	(14.8)	
Optical media products	3,916	4,799	882	22.5	
Others	1,767	1,672	(94)	(5.4)	
Optical media and others	5,683	6,472	788	13.9	
Total	50,088	44,307	(5,780)	(11.5)	

Results worsened due to weak demand and downward pressure on unit price

Unit: Millions of yen	Year ended March 31, 2011	Year ending March 31, 2012	Increase (Decrease)	
	3Q (01 Oct 2010 – 31 Dec 2010)	3Q (01 Oct 2011 – 31 Dec 2011)	Amount	%
Net sales	51,613	44,307	(7,305)	(14.2)
Operating income	2,121	(2,475)	(4,596)	—
Ordinary income	1,575	(2,223)	(3,799)	—
Net income	1,049	(3,376)	(4,425)	—

Sales and income decreased in the electronic components business. The optical media and others segment had a reduction in sales and increase in income.

Unit: Millions of yen	Year ended March 31, 2011	Year ending March 31, 2012	Increase (Decrease)	
	3Q (01 Oct 2010 – 31 Dec 2010)	3Q (01 Oct 2011 – 31 Dec 2011)	Amount	%
Electronic components	42,625	37,834	(4,790)	(11.2)
Optical media and others	8,987	6,472	(2,514)	(28.0)
Net sales	51,613	44,307	(7,305)	(14.2)
Electronic components	2,561	(2,385)	(4,947)	—
Optical media and others	(440)	(89)	350	—
Operating income	2,121	(2,475)	(4,596)	—

Sales increased for the other electronic components segment (communication devices such as SAW filters, etc.).

Unit: Millions of yen	Year ended March 31, 2011	Year ending March 31, 2012	Increase (Decrease)	
	3Q (01 Oct 2010 – 31 Dec 2010)	3Q (01 Oct 2011 – 31 Dec 2011)	Amount	%
Capacitors	23,958	20,047	(3,911)	(16.3)
Ferrite and applied products	7,401	6,617	(784)	(10.6)
Modules	7,532	6,411	(1,120)	(14.9)
Other electronic components	3,733	4,760	1,025	27.5
Electronic components	42,625	37,834	(4,790)	(11.2)
Optical media products	5,874	4,799	(1,075)	(18.3)
Others	3,113	1,672	(1,440)	(46.3)
Optical media and others	8,987	6,472	(2,514)	(28.0)
Total	51,613	44,307	(7,305)	(14.2)

Unit: Yen	Year ended March 31, 2011	Year ending March 31, 2012	
	3Q (01 Oct 2010 – 31 Dec 2010)	2Q (01 Jul 2011 – 30 Sep 2011)	3Q (01 Oct 2011 – 31 Dec 2011)
Average exchange rate	82.98	79.09	77.04
Last day exchange rate	81.52	76.65	77.74

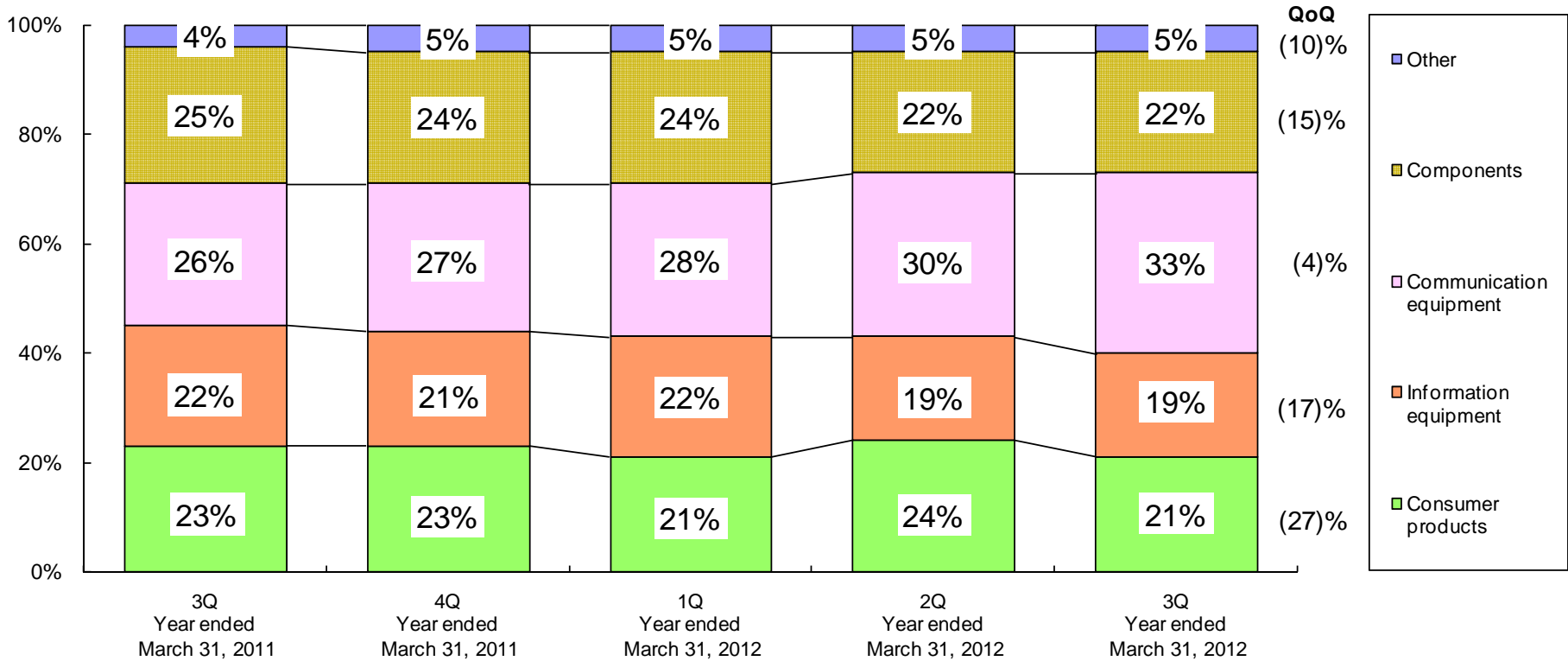
Yen/US Dollar Average Exchange Rate

-The value of the yen climbed ¥2.05 compared with the previous quarter. As a result, net sales declined ¥900 million and operating income declined ¥80 million.

-On a year-on-year basis, net sales declined ¥2,400 million and operating income declined ¥1,000 million, as a result of a ¥5.94 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.

Sales of products used in communication equipment, such as smartphones, continue to account for a greater share of the Company's total sales



Unit: Millions of yen	Year ending March 31, 2012			Proportion of forecast
	3Q (01 Oct 2011 – 31 Dec 2011)	1Q - 3Q (01 Apr 2011 – 31 Dec 2011)	Full-year forecast [as of 26 Dec 2011]	%
R&D expenses	1,984	6,002	8,000	75.0
Capital investment	3,978	19,328	32,000	60.4
Depreciation expenses	4,982	13,999	21,000	66.7
Number of employees [as of 31 Dec 2011]	Consolidated: 16,413 [(602)] Non-consolidated: 2,983 [(28)] *Brackets indicate change from September 30, 2011			

No change in the complete year financial forecast

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	189,000	(21,401)	(10.2)
Operating income	8,792	(7,000)	(15,792)	—
Ordinary income	6,740	(10,000)	(16,740)	—
Net income	(5,506)	(19,200)	(13,693)	—

Operating income: Operating losses are forecasted to continue amid the fall in unit prices, yen appreciation, and operational losses from a reduction in inventory assets

Ordinary income: The Company will incur non-operating expenses caused by losses on foreign exchange from the appreciation of the yen

Net income: Losses are forecasted to increase due to the ¥4,400 million reversal in deferred tax assets and an additional ¥3,200 million in business restructuring costs announced in December 2011

***Measures to Improve Profitability aiming
to achieve Operating Income in the Next
Fiscal Year***

TAIYO YUDEN

Structural improvement

**Reduction of fixed costs:
¥10,000 million / year**

*Reduction amount when comparing the FYE March 2012 with the FYE March 2014.
Of this, ¥7,000 million is a reduction in FYE March 2013.

1. Structural reform

- Overseas production rate: 53%→70%
- Withdrawal from unprofitable products
- Restructuring of domestic and overseas sites including personnel reductions

2. Restriction of capital investment

(¥15 billion forecast for next fiscal year)

3. Reduction of SG&A and other expenses

4. Lowering of currency exchange rate influence (40% reduction)

Growth strategies

1. Growth market

Focus on the growing smartphone market

- Strengthen our product lineup
- Accelerate new product offerings, centered on increased FAE (Field Application Engineer) customer interface and related product development

2. Key target markets

- Expansion of sales in industrial equipment, vehicle installation, and health care markets
- Entry into environmental and energy markets
- Development of archive business for recording products

Goal: Achieve operating profit and positive cash flow as quickly as possible

Summary

Number of employees to solicit:

- Approximately 330

Target employees:

- All employees of TAIYO YUDEN CO., LTD.

Solicitation period:

- March 1, 2012 to March 8, 2012

Retirement date:

- March 31, 2012 (planned)

Benefits for retirees:

- Special extra retirement payment
- Re-employment assistance to employees

Cost

Business restructuring costs

¥3,200 million

(Plan to recognize this cost as an extraordinary loss in Q4 of the FYE March 2012)

Effect

Labor cost reductions

¥3,000 million / year

*Amounts represent forecasts prior to the solicitation for voluntary retirement

- The offer of voluntary retirement to employees of subsidiaries both in Japan and overseas to accommodate the shift in production to and restructuring of our overseas sites
(The Company expects to incur an extraordinary loss of between ¥5,000 and ¥6,000 million during the current and following fiscal years, including the above noted ¥3,200 million.)
- The current reduction of the number of temporary and contract employees

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.