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August 3, 2022

## Consolidated Financial Results for the Three Months Ended June 30, 2022 (Under Japanese GAAP)

Company name: TAIYO YUDEN CO., LTD.  
 Listing: Tokyo Stock Exchange  
 Securities code: 6976  
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 Scheduled date to file quarterly securities report: August 10, 2022  
 Scheduled date to commence dividend payments: -  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: Yes (for institutional investors and investment analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2022	81,740	(2.5)	13,142	(13.2)	17,204	13.4	12,236	(5.6)
June 30, 2021	83,836	38.6	15,147	91.2	15,174	105.8	12,969	185.6

Note: Comprehensive income For the three months ended June 30, 2022: ¥22,960 million [63.9%]  
 For the three months ended June 30, 2021: ¥14,008 million [172.6%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2022	98.20	97.92
June 30, 2021	103.33	103.02

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2022	498,774	318,330	63.6	2,547.46
March 31, 2022	474,522	300,286	63.1	2,403.20

Reference: Equity  
 As of June 30, 2022: ¥317,435 million  
 As of March 31, 2022: ¥299,460 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	40.00	-	40.00	80.00
Fiscal year ending March 31, 2023	-				
Fiscal year ending March 31, 2023 (Forecast)		45.00	-	45.00	90.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Forecasts of operating results for the period from April 1, 2022 to March 31, 2023

(Percentages indicate changes from same period in the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	183,000	6.0	32,000	(7.7)	31,000	(12.8)	21,500	(24.4)	172.54
Fiscal year ending March 31, 2023	385,000	10.1	70,000	2.6	69,000	(4.4)	48,000	(11.7)	385.21

Note: Revisions to the forecast of operating results most recently announced: None

\* **Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: -

Excluded: -

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2022	130,218,481 shares
As of March 31, 2022	130,218,481 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2022	5,609,783 shares
As of March 31, 2022	5,609,656 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	124,608,785 shares
Three months ended June 30, 2021	125,516,179 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* 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.

\* TAIYO YUDEN will post the financial supplementary data on its web-site.

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## 1. Qualitative Information Concerning Financial Statements and Other

### (1) Consolidated Operating Results

During the three-month period ended June 30, 2022 (April 1, 2022 – June 30, 2022), the business conditions surrounding the TAIYO YUDEN Group (“the Group”) experienced rising raw material and logistics costs due to increased geopolitical risk and large-scale lockdowns in some regions because of the spread of COVID-19, although there were some signs of recovery in the global economy. As for the future, it will be necessary to monitor infectious disease trends, the international situation, fluctuations in financial and capital markets amid rising interest rates around the world, and the global demand environment.

Under the medium-term management plan 2025, the Group is aiming to increase the proportion of sales in focus markets, primarily automotive and IT infrastructure/industrial equipment, to 50%. Moreover, the Group will produce high value-added electronic components with a focus on high-end and high reliability products to achieve further growth in multilayer ceramic capacitors, the Group’s core business, in addition to strengthening inductor and communication device products to establish them as core businesses. We also plan capital investment of ¥300.0 billion over five years to continuously expand capacity to meet increase in demand as well as to implement proactive initiatives in the areas of environmental measures and upgrading of IT.

Consolidated net sales for the three-month period ended June 30, 2022 totaled ¥81,740 million, which is a decrease of 2.5% compared to the corresponding period of the previous fiscal year. Operating profit was ¥13,142 million, a decrease of 13.2%. Ordinary profit was ¥17,204 million, an increase of 13.4%, and profit attributable to owners of parent was ¥12,236 million, a decrease of 5.6%. Although net sales and operating profit were lower owing to the impact of large-scale lockdowns in some regions during the three-month period ended June 30, 2022, ordinary profit increased due to foreign exchange gains and other factors. Profit attributable to owners of parent decreased because of an increase in income taxes.

The average foreign currency exchange rate for the three-month period ended June 30, 2022 was US\$1: ¥124.45. This is a depreciation of ¥15.45 as compared to the average realized in the corresponding period of the previous fiscal year of US\$1: ¥109.

### Net Sales by Product Classification

#### [Capacitors]

The capacitor product classification is comprised of multilayer ceramic capacitors.

While product sales for use in communication equipment declined year over year, sales for use in consumer products, information equipment, automobiles, and IT infrastructure/industrial equipment increased. As a result, net sales for the three-month period ended June 30, 2022 totaled ¥54,583 million, an increase of 2.6% compared to the corresponding period of the previous fiscal year.

#### [Inductors]

This product classification is comprised of various inductors including wire-wound inductors and multilayer inductors.

In the three-month period ended June 30, 2022, product sales for use in communication equipment, automobiles and IT infrastructure/industrial equipment were lower as compared to the corresponding period of the previous fiscal year while sales for use in consumer products and information equipment were higher. As a result, net sales for the three-month period ended June 30, 2022 totaled ¥11,748 million, which is an increase of 3.2% compared to the corresponding period of the previous fiscal year.

#### [Integrated Modules & Devices]

This product classification is comprised of FBAR/SAW devices for mobile communications, circuit modules, etc.

For the three-month period ended June 30, 2022, sales of FBAR/SAW devices for mobile communications and circuit modules decreased year over year. This resulted in a 34.5% decrease in sales for this product classification year over year to ¥9,159 million.

#### [Others]

For this product classification, the Group manufactures and sells aluminum electrolytic capacitors and power storage devices, etc..

For the three-month period ended June 30, 2022, sales of aluminum electrolytic capacitors, mainly for use in automobiles, increased year over year. This resulted in a 18.7% increase in sales for this product classification year over year to ¥6,248 million.

## (2) Consolidated Financial Conditions

Total assets as of June 30, 2022 increased ¥24,251 million to ¥498,774 million compared with the end of the previous fiscal year. Current assets increased ¥15,805 million. This increase in current assets was mainly due to the increase in merchandise and finished products of ¥6,544 million, work in process of ¥5,850 million, and cash and deposits of ¥4,398 million. Fixed assets increased ¥8,446 million owing to the upswing in property, plant and equipment of ¥8,416 million.

Total liabilities as of June 30, 2022 were ¥180,443 million, an increase of ¥6,207 million as compared to the balance at March 31, 2022. This was mainly due to the increase in short-term borrowings of ¥7,025 million and long-term borrowings of ¥6,750 million, and the decrease in income taxes payable of ¥8,586 million.

Net assets as of June 30, 2022 increased ¥18,043 million. The main factors were an increase in retained earnings of ¥7,252 million due to profit attributable to owners of parent of ¥12,236 million and dividends of surplus of ¥4,984 million, in addition to an increase of ¥10,699 million in foreign currency translation adjustment due to the impact of exchange rates, including the depreciation in the value of the yen.

## (3) Forecasts of Consolidated Operating Results

There is no change in the forecasts of consolidated operating results for the fiscal year ending March 31, 2023 that was previously announced on May 10, 2022.

As for the market environment in the fiscal year ending March 31, 2023, we anticipate that demand for electronic components will continue to be strong due to increasing use of electronic components and electric motors in automobiles and aggressive investment in IT infrastructure, primarily data centers. However, the economic situation is expected to remain unpredictable owing to cost increases, including raw materials and logistics, because of rising geopolitical risk and other factors. Other contributing factors include the resumed spread of COVID-19, fluctuations in financial and capital markets amid rising interest rates around the world, and global demand environment trends.

The Group does not have any sites or key customers and suppliers in either Russia or Ukraine. Sales to both countries are insignificant, and it is assumed the direct impact on the Group's business performance will be minor. In addition, although there are still no signs of the end of the COVID-19 pandemic, it is assumed the Group will be able to operate as normal without any major disruptions to production.

The forecast is based on an average foreign currency exchange rate of US\$1:¥120.

### \*Disclaimer concerning forecasts of operating results:

The aforementioned forecasts of results are based on information available as of the date of this report. As a result, forecast information contained in this document may include potential risk and uncertainties. Accordingly, actual results may differ materially from forecasts due to a variety of factors.

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>ASSETS</b>		
Current assets		
Cash and deposits	92,570	96,969
Trade notes and accounts receivable	86,585	84,107
Merchandise and finished products	29,504	36,048
Work in process	44,243	50,093
Raw materials and supplies	23,033	24,494
Other	6,981	6,993
Allowance for doubtful receivables	(311)	(293)
Total current assets	282,607	298,413
Fixed assets		
Property, plant and equipment		
Buildings and structures	120,596	123,875
Machinery and equipment	335,309	347,463
Tools, furniture and fixtures	33,773	35,221
Land	15,179	15,433
Construction in progress	28,603	32,031
Accumulated depreciation	(348,527)	(360,671)
Net property, plant and equipment	184,936	193,352
Intangible fixed assets		
Other	1,340	1,387
Total intangible fixed assets	1,340	1,387
Investments and other assets		
Investment securities	1,505	1,457
Other	4,132	4,162
Total investments and other assets	5,637	5,620
Total fixed assets	191,914	200,360
Total assets	474,522	498,774

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>LIABILITIES</b>		
Current liabilities		
Trade notes and accounts payable	32,828	31,611
Short-term borrowings	20,200	20,200
Current portion of long-term borrowings	4,035	11,060
Income taxes payable	13,967	5,380
Accrued bonuses for employees	5,890	2,826
Accrued bonuses for directors and corporate auditors	679	38
Other	29,412	34,219
Total current liabilities	107,013	105,337
Long-term liabilities		
Long-term borrowings	48,749	55,499
Accrued retirement benefits for directors and corporate auditors	31	33
Net defined benefit liability	5,315	5,619
Other	13,126	13,953
Total long-term liabilities	67,222	75,106
Total liabilities	174,235	180,443
<b>NET ASSETS</b>		
Shareholders' equity		
Common stock	33,575	33,575
Capital surplus	49,908	49,908
Retained earnings	221,178	228,430
Treasury stock	(13,454)	(13,454)
Total shareholders' equity	291,207	298,459
Accumulated other comprehensive income		
Net unrealized holding gains on securities	518	414
Deferred gains (losses) on hedges	(190)	(88)
Foreign currency translation adjustments	8,246	18,946
Remeasurements of defined benefit plans	(321)	(295)
Total accumulated other comprehensive income	8,252	18,976
Stock acquisition rights	826	894
Total net assets	300,286	318,330
Total liabilities and net assets	474,522	498,774



(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income  
(Consolidated Statements of Operations)  
(Three months ended June 30, 2022)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	83,836	81,740
Cost of sales	55,608	54,716
Gross profit	28,227	27,023
Selling, general and administrative expenses	13,080	13,880
Operating profit	15,147	13,142
Non-operating income		
Interest income	28	72
Dividend income	14	0
Gain on foreign exchange	-	3,966
Subsidy income	70	62
Other	139	95
Total non-operating income	252	4,197
Non-operating expenses		
Interest expense	93	103
Loss on foreign exchange	70	-
Depreciation of inactive noncurrent assets	25	6
Other	37	25
Total non-operating expenses	225	135
Ordinary profit	15,174	17,204
Extraordinary gains		
Gain on sales of property, plant and equipment	7	4
Gain on sales of investment securities	146	-
Insurance claim income	61	-
Total extraordinary gains	215	4
Extraordinary losses		
Loss on disposal and sales of property, plant and equipment	49	199
Impairment loss	2	-
Other	-	4
Total extraordinary losses	51	204
Income before income taxes	15,337	17,004
Income taxes - current	2,200	4,281
Income taxes - deferred	168	485
Total income taxes	2,368	4,767
Net income	12,969	12,236
Profit attributable to owners of parent	12,969	12,236

(Consolidated Statements of Comprehensive Income)  
(Three months ended June 30, 2022)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net income	12,969	12,236
Other comprehensive income		
Net unrealized holding gains (losses) on securities	27	(103)
Deferred gains (losses) on hedges	78	101
Foreign currency translation adjustments	885	10,699
Remeasurement of defined benefit plans	47	25
Total other comprehensive income (loss)	1,039	10,723
Comprehensive income	14,008	22,960
(Breakdown)		
Comprehensive income attributable to shareholders	14,008	22,960

(3) Notes on Consolidated Financial Statements

(Notes on Premise of Going Concern)

No relevant items to report.

(Notes in Case of Significant Changes to Shareholders' Equity)

No relevant items to report.

3. Supplementary Information

(1) Net Sales by Product Classification

Product classification	Three months ended June 30, 2021 (From April 1, 2021 To June 30, 2021)		Three months ended June 30, 2022 (From April 1, 2022 To June 30, 2022)		Increase/ (Decrease)	
	Amount (¥ in million)	Share (%)	Amount (¥ in million)	Share (%)	Amount (¥ in million)	Share (%)
Capacitors	53,209	63.5	54,583	66.8	1,374	2.6
Inductors	11,386	13.6	11,748	14.4	362	3.2
Integrated modules & devices	13,977	16.7	9,159	11.2	(4,818)	(34.5)
Others	5,263	6.3	6,248	7.6	984	18.7
Total	83,836	100.0	81,740	100.0	(2,096)	(2.5)