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February 7, 2024

## Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Under Japanese GAAP)

Company name: TAIYO YUDEN CO., LTD.  
 Listing: Tokyo Stock Exchange  
 Securities code: 6976  
 URL: <http://www.ty-top.com>  
 Representative: Katsuya Sase, Representative Director, President and Chief Executive Officer  
 Inquiries: Tomomitsu Fukuda, Director, Executive Operating Officer, Chief of Management Planning  
 Headquarters  
 Telephone: +81-3-6757-8310  
 Scheduled date to file quarterly securities report: February 14, 2024  
 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 nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

#### (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	%
Nine months ended								
December 31, 2023	241,813	(2.1)	7,043	(80.5)	7,456	(80.4)	3,676	(86.3)
December 31, 2022	247,046	(5.9)	36,080	(31.0)	38,132	(29.3)	26,853	(35.8)

Note: Comprehensive income For the nine months ended December 31, 2023: ¥10,806 million [(64.2)%]  
 For the nine months ended December 31, 2022: ¥30,193 million [(36.7)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
December 31, 2023	29.50	28.53
December 31, 2022	215.50	214.81

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
December 31, 2023	556,688	318,117	57.0	2,544.95
March 31, 2023	503,462	318,478	63.1	2,548.15

Reference: Equity  
 As of December 31, 2023: ¥317,170 million  
 As of March 31, 2023: ¥317,520 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, 2023	-	45.00	-	45.00	90.00
Fiscal year ending March 31, 2024	-	45.00	-		
Fiscal year ending March 31, 2024 (Forecast)				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, 2023 to March 31, 2024

(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
Fiscal year ending March 31, 2024	321,000	0.5	10,000	(68.7)	10,000	(71.3)	3,000	(87.1)	24.07

Note: Revisions to the forecast of operating results most recently announced: Yes

**\* 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 December 31, 2023	130,218,481 shares
As of March 31, 2023	130,218,481 shares

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

As of December 31, 2023	5,591,392 shares
As of March 31, 2023	5,610,298 shares

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

Nine months ended December 31, 2023	124,619,546 shares
Nine months ended December 31, 2022	124,608,620 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 nine-month period ended December 31, 2023 (April 1, 2023 – December 31, 2023), the business conditions surrounding the TAIYO YUDEN Group (“the Group”) remained uncertain with weakness observed in some regions, although there were signs of moderate recovery in the global economy. As for the future, although the moderate recovery is expected to continue, it will be necessary to monitor the international situation, as well as fluctuations in financial and capital markets amid global monetary tightening, and other factors.

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 nine-month period ended December 31, 2023 totaled ¥241,813 million, which is a decrease of 2.1% compared to the corresponding period of the previous fiscal year. Operating profit was ¥7,043 million, a decrease of 80.5%. Ordinary profit was ¥7,456 million, a decrease of 80.4%, and profit attributable to owners of parent was ¥3,676 million, a decrease of 86.3%. Net sales, operating profit, ordinary profit, and profit attributable to owners of parent decreased due to a decline in production volume and inventory adjustments, primarily in information equipment and IT infrastructure/industrial equipment.

The average foreign currency exchange rate for the nine-month period ended December 31, 2023 was US\$1: ¥142.17. This is a depreciation of ¥7.49 as compared to the average realized in the corresponding period of the previous fiscal year of US\$1: ¥134.68.

### Net Sales by Product Classification

#### [Capacitors]

The capacitor product classification is comprised of multilayer ceramic capacitors.

While product sales for use in communication equipment and automobiles increased year over year, sales for use in consumer products, information equipment, and IT infrastructure/industrial equipment declined. As a result, net sales for the nine-month period ended December 31, 2023 totaled ¥153,274 million, a decrease of 4.7% compared to the corresponding period the previous fiscal year.

#### [Inductors]

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

In the nine-month period ended December 31, 2023, product sales for use in consumer products and IT infrastructure/industrial equipment were lower as compared to the corresponding period of the previous fiscal year, while sales for use in information equipment, communication equipment, and automobiles were higher. As a result, net sales for the nine-month period ended December 31, 2023 totaled ¥42,920 million, which is an increase of 1.9% compared to the corresponding period of the previous fiscal year.

#### [Integrated Modules & Devices]

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

For the nine-month period ended December 31, 2023, sales of circuit modules decreased year over year, but sales of communications devices (FBAR/SAW) increased. This resulted in a 5.5% increase in sales for this product classification year over year to ¥26,150 million.

#### [Others]

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

For the nine-month period ended December 31, 2023, sales of aluminum electrolytic capacitors increased year over year. This resulted in a 1.2% increase in sales for this product classification year over year to ¥19,467 million.

## (2) Consolidated Financial Conditions

Total assets as of December 31, 2023 increased ¥53,226 million to ¥556,688 million compared with the end of the previous fiscal year. Current assets increased ¥13,671 million. This increase in current assets was mainly due to the increase in notes and accounts receivable - trade of ¥12,960 million and cash and deposits of ¥10,549 million, and the decrease in merchandise and finished goods of ¥4,360 million and work in process of ¥3,609 million. Non-current assets increased ¥39,555 million owing to the upswing in property, plant and equipment of ¥41,135 million and the decrease in investments and other assets of ¥1,706 million.

Total liabilities as of December 31, 2023 were ¥238,570 million, an increase of ¥53,586 million as compared to the balance at March 31, 2023. This was mainly due to the increase in convertible-bond-type bonds with share acquisition rights of ¥51,214 million, long-term borrowings of ¥33,445 million, and notes and accounts payable - trade of ¥4,252 million, and the decrease in short-term borrowings of ¥26,000 million and current portion of long-term borrowings of ¥8,702 million.

Net assets as of December 31, 2023 decreased ¥360 million. The main factors were a decrease in retained earnings of ¥7,538 million due to profit attributable to owners of parent of ¥3,676 million and dividends of surplus of ¥11,215 million, in addition to an increase of ¥7,015 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

Consolidated operating results forecasts for the year ending March 31, 2024 have been revised as follows (year over year).

	Year ending March 31, 2024
Net sales	321,000 million yen (0.5% increase)
Operating profit	10,000 million yen (68.7% decrease)
Ordinary profit	10,000 million yen (71.3% decrease)
Profit attributable to owners of parent	3,000 million yen (87.1% decrease)

Based on the financial results for the nine-month period ended December 31, 2023, future demand forecasts, and other factors, the Company has revised the full-year consolidated financial results forecasts released as of May 9, 2023 for the fiscal year ending March 31, 2024.

Demand for electronic components declined due to more prolonged inventory adjustments than initially expected, mainly in information equipment and IT infrastructure/industrial equipment, and other factors; furthermore, as the capacity utilization effect and other factors are anticipated to fall short of previous forecasts, the Company has revised the full-year financial results forecasts for the fiscal year ending March 31, 2024 as shown above.

The forecast is based on an average foreign currency exchange rate for the fourth quarter of US\$1: ¥145.

### \*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, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	87,197	97,746
Notes and accounts receivable - trade	70,372	83,333
Merchandise and finished goods	34,695	30,334
Work in process	46,885	43,275
Raw materials and supplies	23,234	23,011
Other	12,269	10,712
Allowance for doubtful accounts	(258)	(346)
Total current assets	274,396	288,067
Non-current assets		
Property, plant and equipment		
Buildings and structures	129,144	167,787
Machinery, equipment and vehicles	363,035	385,198
Tools, furniture and fixtures	37,483	41,063
Land	15,858	15,988
Construction in progress	47,571	44,967
Accumulated depreciation	(372,502)	(393,279)
Total property, plant and equipment	220,590	261,725
Intangible assets		
Other	1,663	1,790
Total intangible assets	1,663	1,790
Investments and other assets		
Investment securities	1,447	1,517
Other	5,458	3,687
Allowance for doubtful accounts	(92)	(99)
Total investments and other assets	6,812	5,105
Total non-current assets	229,066	268,621
<b>Total assets</b>	<b>503,462</b>	<b>556,688</b>

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	23,012	27,265
Short-term borrowings	30,200	4,200
Current portion of long-term borrowings	17,958	9,256
Income taxes payable	1,550	609
Provision for bonuses	4,205	2,296
Provision for bonuses for directors (and other officers)	60	12
Other	35,152	34,517
Total current liabilities	112,140	78,158
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	-	51,214
Long-term borrowings	50,777	84,222
Provision for retirement benefits for directors (and other officers)	39	45
Retirement benefit liability	5,666	6,485
Other	16,359	18,444
Total non-current liabilities	72,843	160,412
Total liabilities	184,984	238,570
<b>Net assets</b>		
Shareholders' equity		
Share capital	33,575	33,575
Capital surplus	49,908	49,922
Retained earnings	233,802	226,264
Treasury shares	(13,457)	(13,411)
Total shareholders' equity	303,829	296,349
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	631	659
Deferred gains or losses on hedges	(0)	18
Foreign currency translation adjustment	13,086	20,101
Remeasurements of defined benefit plans	(26)	41
Total accumulated other comprehensive income	13,690	20,820
Share acquisition rights	958	947
Total net assets	318,478	318,117
Total liabilities and net assets	503,462	556,688



(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income  
(Consolidated Statements of Operations)  
(Nine months ended December 31, 2023)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	247,046	241,813
Cost of sales	168,404	192,574
Gross profit	78,641	49,239
Selling, general and administrative expenses	42,561	42,195
Operating profit	36,080	7,043
Non-operating income		
Interest income	479	947
Dividend income	51	56
Foreign exchange gains	1,176	36
Subsidy income	563	720
Other	193	261
Total non-operating income	2,465	2,021
Non-operating expenses		
Interest expenses	335	516
Bond issuance costs	-	116
Depreciation of inactive non-current assets	27	84
Compensation expenses	1	804
Other	49	86
Total non-operating expenses	413	1,608
Ordinary profit	38,132	7,456
Extraordinary income		
Gain on sale of non-current assets	151	23
Gain on sale of investment securities	-	164
Gain on sale of golf club membership	-	69
Total extraordinary income	151	256
Extraordinary losses		
Loss on sale and retirement of non-current assets	643	376
Impairment losses	4	-
Other	59	1
Total extraordinary losses	707	378
Profit before income taxes	37,576	7,334
Income taxes - current	8,269	3,484
Income taxes - deferred	2,453	173
Total income taxes	10,723	3,657
Profit	26,853	3,676
Profit attributable to owners of parent	26,853	3,676

(Consolidated Statements of Comprehensive Income)  
(Nine months ended September 30, 2023)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	26,853	3,676
Other comprehensive income		
Valuation difference on available-for-sale securities	24	27
Deferred gains or losses on hedges	225	19
Foreign currency translation adjustment	3,016	7,015
Remeasurements of defined benefit plans, net of tax	74	67
Total other comprehensive income	3,340	7,129
Comprehensive income	30,193	10,806
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	30,193	10,806

(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	Nine months ended December 31, 2022 (From April 1, 2022 To December 31, 2022)		Nine months ended December 31, 2023 (From April 1, 2023 To December 31, 2023)		Increase/ (Decrease)	
	Amount (¥ in million)	Share (%)	Amount (¥ in million)	Share (%)	Amount (¥ in million)	Share (%)
Capacitors	160,889	65.1	153,274	63.4	(7,614)	(4.7)
Inductors	42,118	17.0	42,920	17.7	802	1.9
Integrated modules & devices	24,794	10.0	26,150	10.8	1,355	5.5
Others	19,243	7.8	19,467	8.1	223	1.2
Total	247,046	100.0	241,813	100.0	(5,232)	(2.1)