

Consolidated Financial Results

Third quarter of the year ending March 31, 2021

Katsuya Sase

Chief of Management Planning Headquarters

February 8, 2021

3Q of the Year Ending March 2021

- Net sales were 81.2 billion yen, up 2% Q/Q, and operating income was 11.2 billion yen, largely in line with the previous quarter.
- Strong demand for products used in smartphones and in automobiles continued, and sales and operating income both outperformed the forecasts made in November 2020.
- Net sales and operating income recorded all-time highs on the cumulative nine-month basis.

Earnings Forecast for the Year Ending March 2021

- The full-year results forecasts published in November 2020 have been revised upward.
- Net sales are projected to increase 5% Y/Y to 295.0 billion yen, and operating income is projected to increase 2% Y/Y to 38.0 billion yen. TAIYO YUDEN will aim for all-time high net sales, operating income, and net income attributable to owners of parent company.

Impact of COVID-19

The impact on TAIYO YUDEN's business activities has practically disappeared (as of February 8)

Sales

We are closely monitoring production trends at client companies and final demand for equipment, etc.

Procurement

No impact. There were some problems with procurement from suppliers, but we addressed this by changing procurement channels and utilizing current inventory, etc.

Distribution

There is still some impact, such as lengthening distribution lead times and increasing distribution costs. We are addressing this through transportation using alternative flights and routes.

Production

All production sites in Japan and overseas have been operating as normal since June. It is estimated 1Q net sales decreased 7.0 billion yen due to restrictions on operations from March - May.

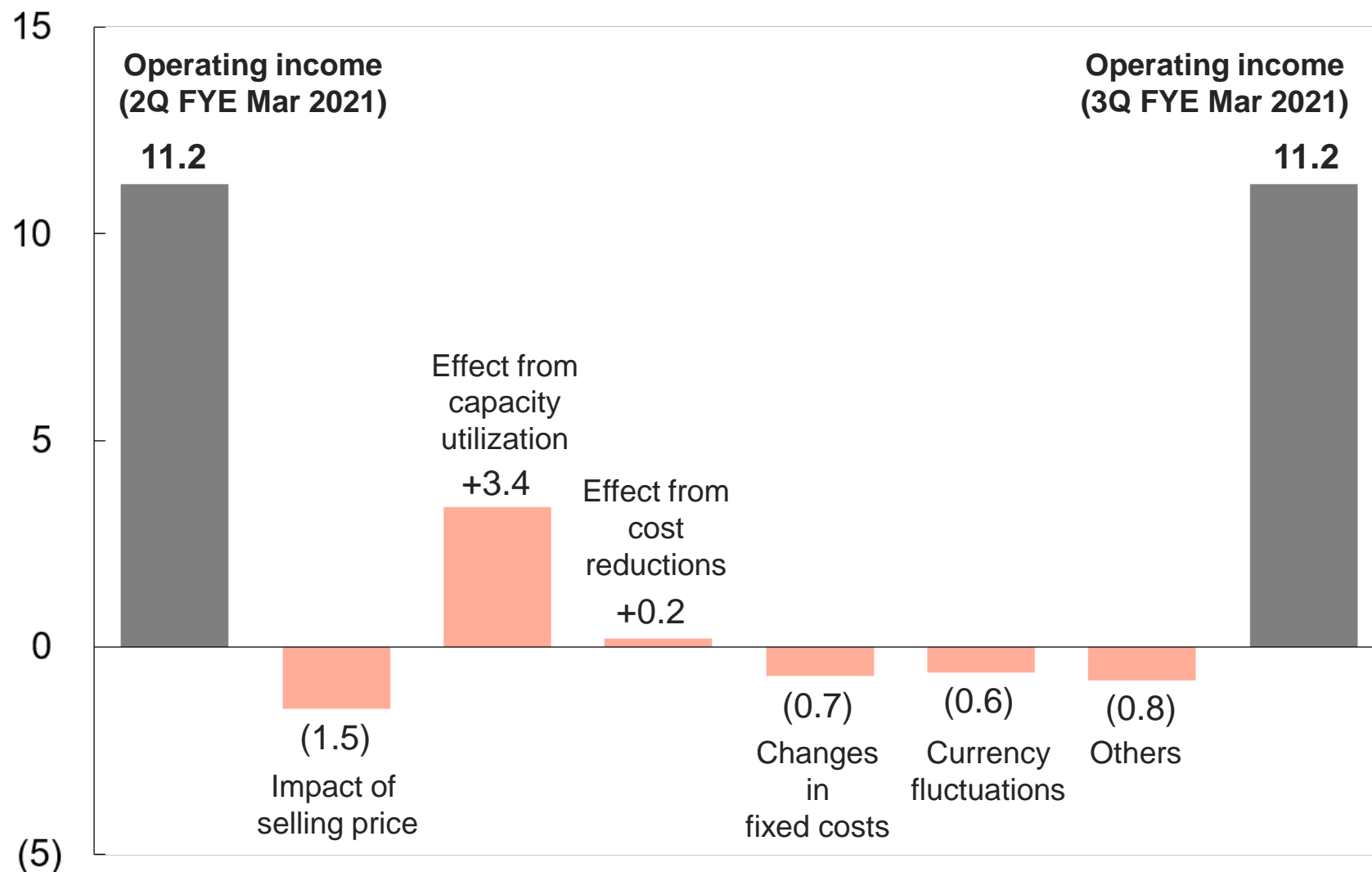
Country	Company	Main production items	Operation status			
			As of May 12, 2020	As of Aug 7, 2020	As of Nov 9, 2020	As of Feb 8, 2021
Philippines	TAIYO YUDEN (PHILIPPINES)	Inductors	Operating (with constraints)	Operating as normal (from June)	Operating as normal	Operating as normal
Malaysia	TAIYO YUDEN (SARAWAK)	Multilayer ceramic capacitors	Operating (with constraints)	Operating as normal (from mid-May)	Operating as normal	Operating as normal
Japan, Korea, China, etc.	Companies other than above	—	Operating as normal	Operating as normal	Operating as normal	Operating as normal

3Q - Consolidated Financial Results (Q/Q)

¥ in million	FYE Mar 31, 2021 2Q (01 Jul 2020 – 30 Sep 2020)		FYE Mar 31, 2021 3Q (01 Oct 2020 – 31 Dec 2020)		Change Q/Q	
Net sales	79,728	100.0%	81,226	100.0%	1,497	1.9%
Operating income	11,203	14.1%	11,199	13.8%	(4)	(0.0)%
Ordinary income	10,812	13.6%	11,422	14.1%	609	5.6%
Net income attributable to owners of parent company	6,900	8.7%	8,383	10.3%	1,483	21.5%
Yen to USD average exchange rate	106.82 yen		105.15 yen		1.67 yen Appreciated	
Impact of exchange rate fluctuation	(0.4) billion yen on net sales, (0.6) billion yen on operating income * Including the impact of currencies other than US dollars					
R&D expenses	3,219		3,200		(18)	(0.6)%
Capital investment	10,112		7,160		(2,952)	(29.2)%
Depreciation expenses	7,277		7,558		281	3.9%

3Q - Factors behind Operating Income (Q/Q)

(¥ in billion)



3Q - Financial Results by Product Classification (Q/Q)

¥ in million	FYE Mar 31, 2021 2Q		FYE Mar 31, 2021 3Q		Change Q/Q	
Capacitors	52,596	66.0%	51,895	63.9%	(700)	(1.3)%
Ferrite and applied products	10,903	13.7%	12,230	15.1%	1,327	12.2%
Integrated modules & devices	12,330	15.5%	12,311	15.2%	(18)	(0.2)%
Others	3,899	4.9%	4,788	5.9%	889	22.8%
Total net sales	79,728	100.0%	81,226	100.0%	1,497	1.9%

3Q - Financial Results by Product Classification (Q/Q)

(¥ in billion)



Capacitors

((1.3)% Q/Q)

Although sales increased for use in communication equipment and automobiles, sales decreased for use in information equipment and IT infrastructure/industrial equipment.

Ferrite and applied products

(+12.2% Q/Q)

Sales increased for use in communication equipment and automobiles.

Integrated modules & devices

((0.2)% Q/Q)

Sales of communication devices (FBAR/SAW) and various modules were both at the same level as in the previous quarter.

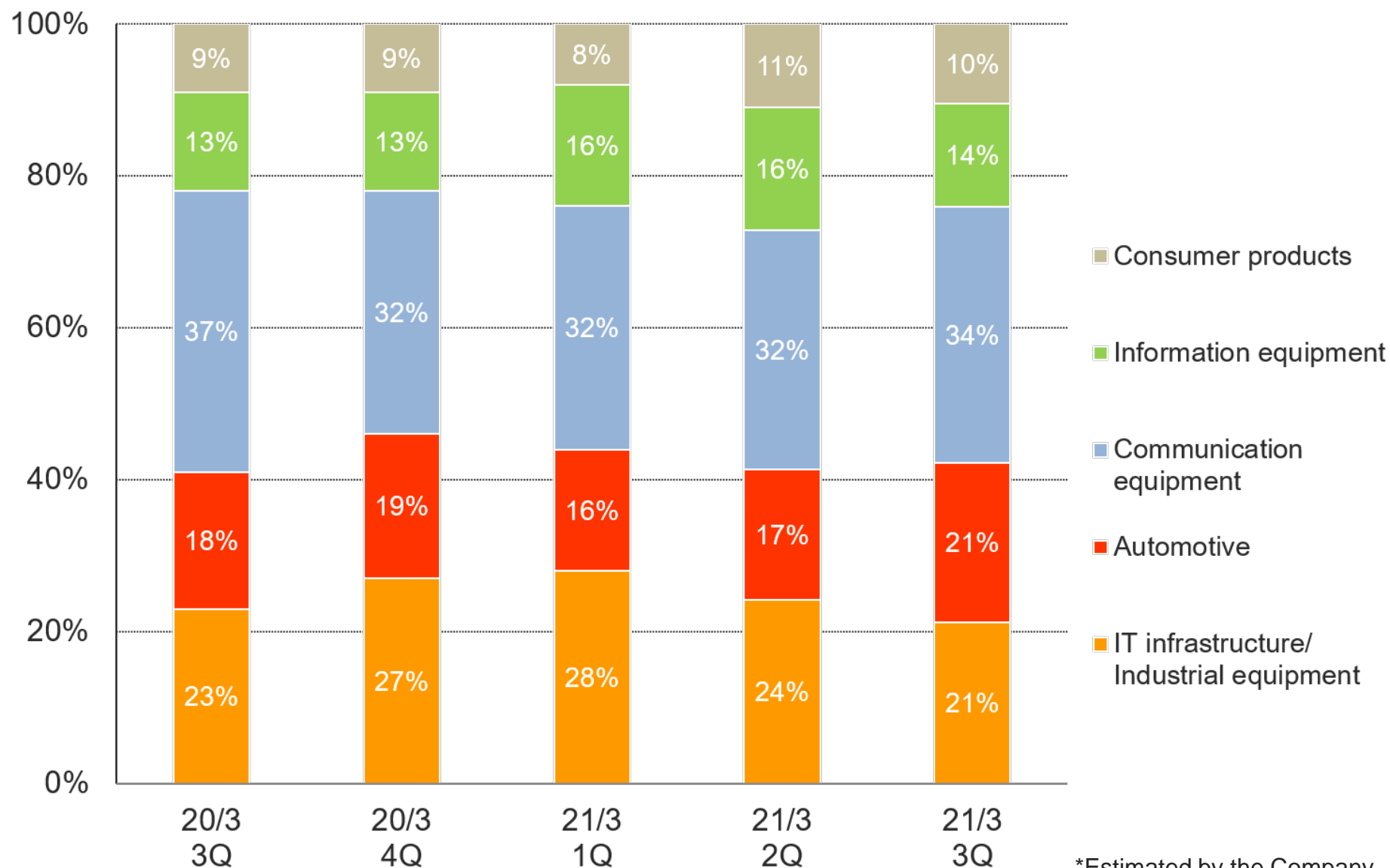
Others

(+22.8% Q/Q)

Sales of aluminum electrolytic capacitors for use in automobiles increased.

Capacitors Ferrite and applied products Integrated modules & devices Others

Sales by Market Sector



Forecast of Consolidated Performance

for the year ending March 31, 2021

Full-Year Forecast (compared to the previous forecast)

¥ in million	1H Actual results	Forecast as of Nov 9		Forecast as of Feb 8	
		2H	Full year	2H	Full year
Net sales	140,222	143,778	284,000	154,778	295,000
Operating income	19,126	14,874	34,000	18,874	38,000
Ordinary income	18,183	14,817	33,000	18,817	37,000
Net income attributable to owners of parent company	11,442	10,558	22,000	13,058	24,500
Yen to USD average exchange rate	107.22 yen	105.00 yen	106.11 yen	104.08 yen	105.65 yen
R&D expenses	6,207	6,793	13,000	6,793	13,000
Capital investment	27,998	22,002	50,000	22,002	50,000
Depreciation expenses	13,877	16,123	30,000	16,123	30,000

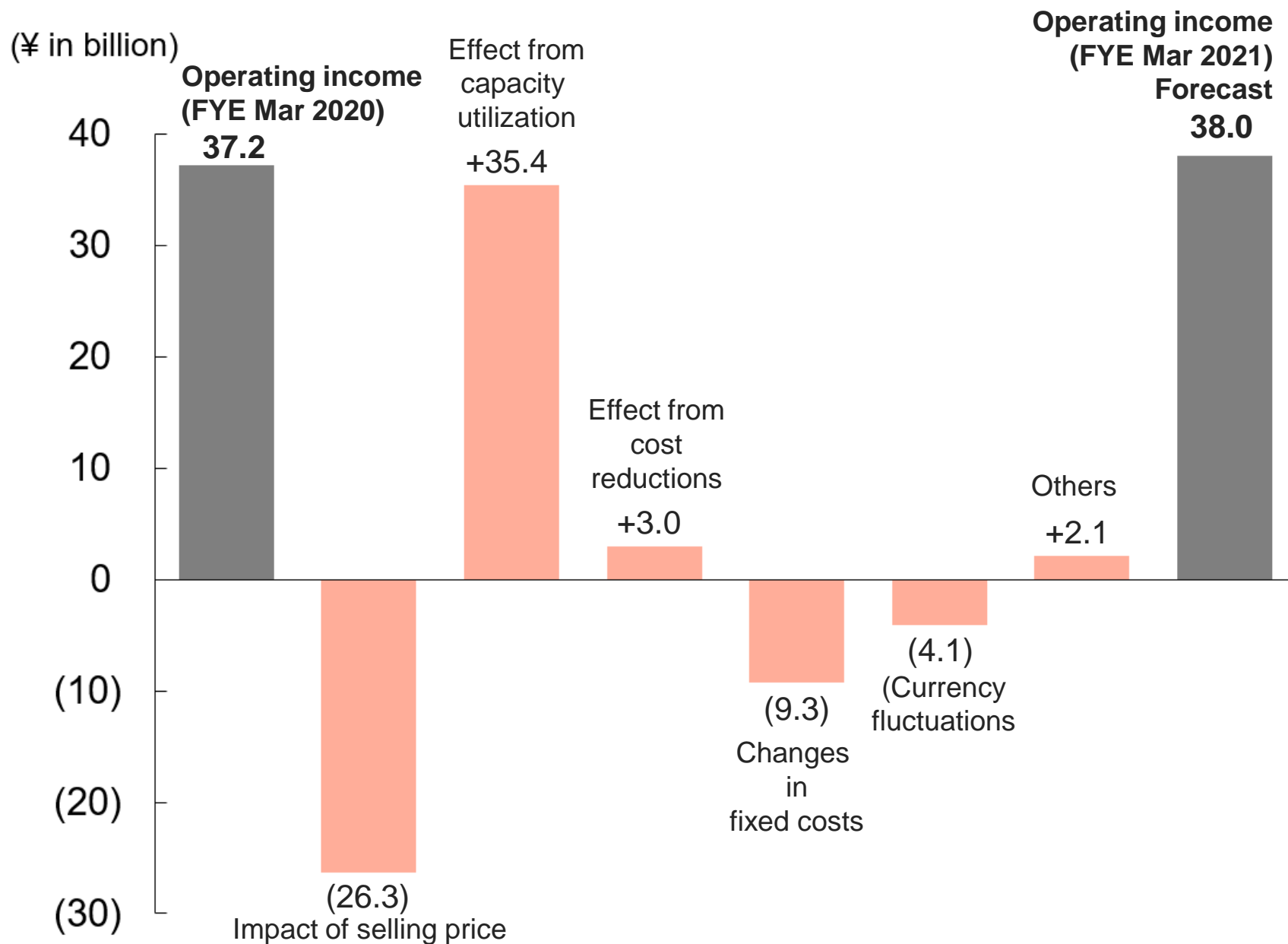
- The financial results forecasts published in November have been revised upward.

Full-Year Forecast (Y/Y)

¥ in million	FYE Mar 31, 2020		FYE Mar 31, 2021 Forecast		Change Y/Y	
Net sales	282,329	100.0%	295,000	100.0%	12,671	4.5%
Operating income	37,176	13.2%	38,000	12.9%	824	2.2%
Ordinary income	35,165	12.5%	37,000	12.5%	1,835	5.2%
Net income attributable to owners of parent company	18,022	6.4%	24,500	8.3%	6,478	35.9%
Yen to USD average exchange rate	109.06 yen		105.65 yen		3.41 yen appreciated	
R&D expenses	12,921		13,000		79	0.6%
Capital investment	39,365		50,000		10,635	27.0%
Depreciation expenses	27,022		30,000		2,978	11.0%

- The financial results forecasts published in November have been revised upward.

Factors behind Operating Income in FYE March 2021



Full-Year Forecast by Product Classification (compared to the previous forecast)

¥ in million	1H Actual results	Forecast as of Nov 9		Forecast as of Feb 8	
		2H	Full year	2H	Full year
Capacitors	92,672	95,828	188,500	99,828	192,500
Ferrite and applied products	18,831	19,169	38,000	21,169	40,000
Integrated modules & devices	21,406	21,094	42,500	24,594	46,000
Others	7,312	7,688	15,000	9,188	16,500
Total net sales	140,222	143,778	284,000	154,778	295,000

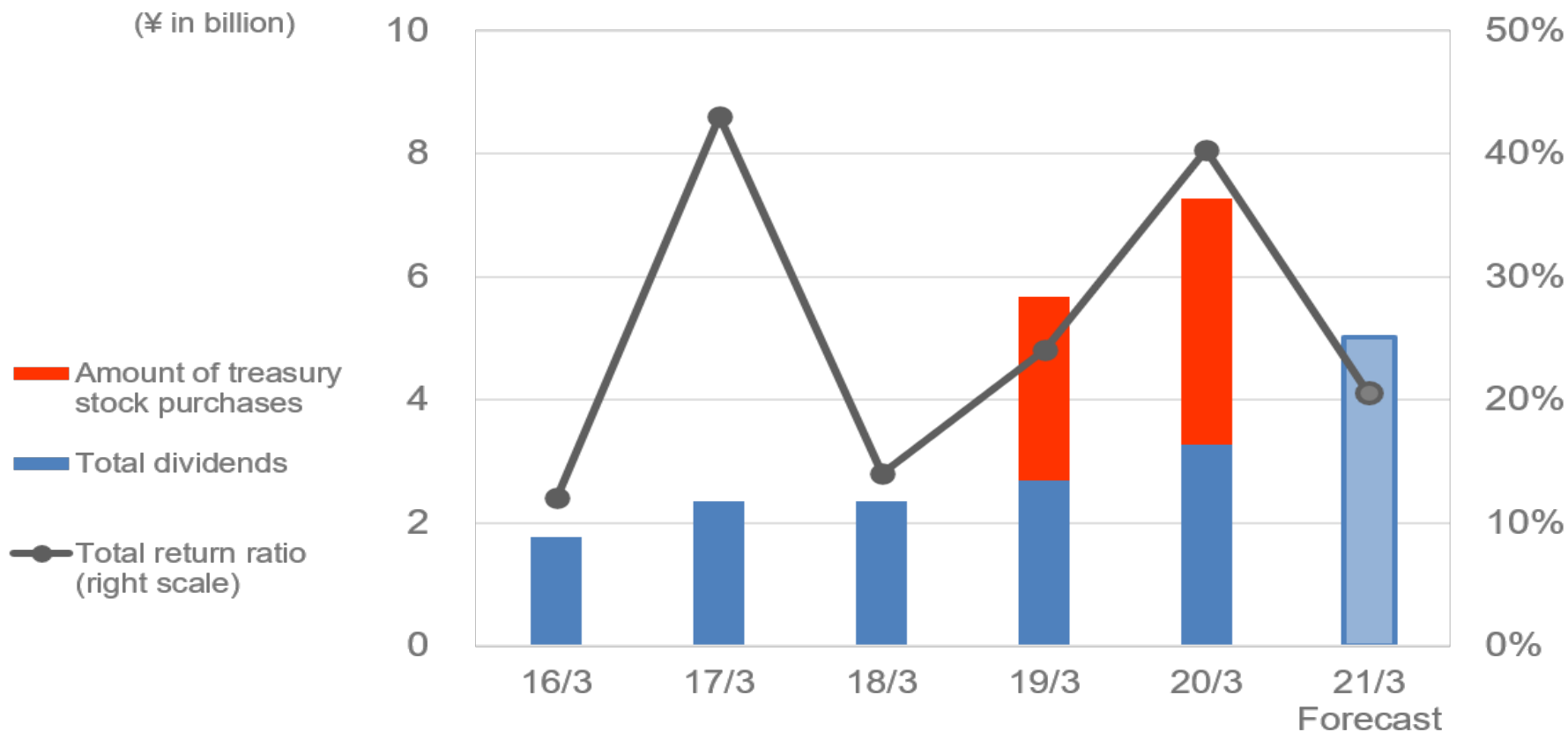
Forecast of Consolidated Performance by Product Classification (Y/Y)

¥ in million	FYE Mar 31, 2020		FYE Mar 31, 2021		Change Y/Y	
Capacitors	176,457	62.5%	192,500	65.3%	16,043	9.1%
Ferrite and applied products	38,770	13.7%	40,000	13.6%	1,230	3.2%
Integrated modules & devices	49,808	17.6%	46,000	15.6%	(3,808)	(7.6)%
Others	17,292	6.1%	16,500	5.6%	(792)	(4.6)%
Total net sales	282,329	100.0%	295,000	100.0%	12,671	4.5%

Return to Shareholders

**Dividend
increase**

Year-end dividend forecast revised from 15 yen to 25 yen
(annual dividend 40 yen)



Annual cash dividends per share (yen)	15	20	20	21	26	40
Net income per share (yen)	125.27	46.08	138.80	189.93	143.04	195.19

Aim to achieve a stable total return ratio of 30%

TAIYO YUDEN

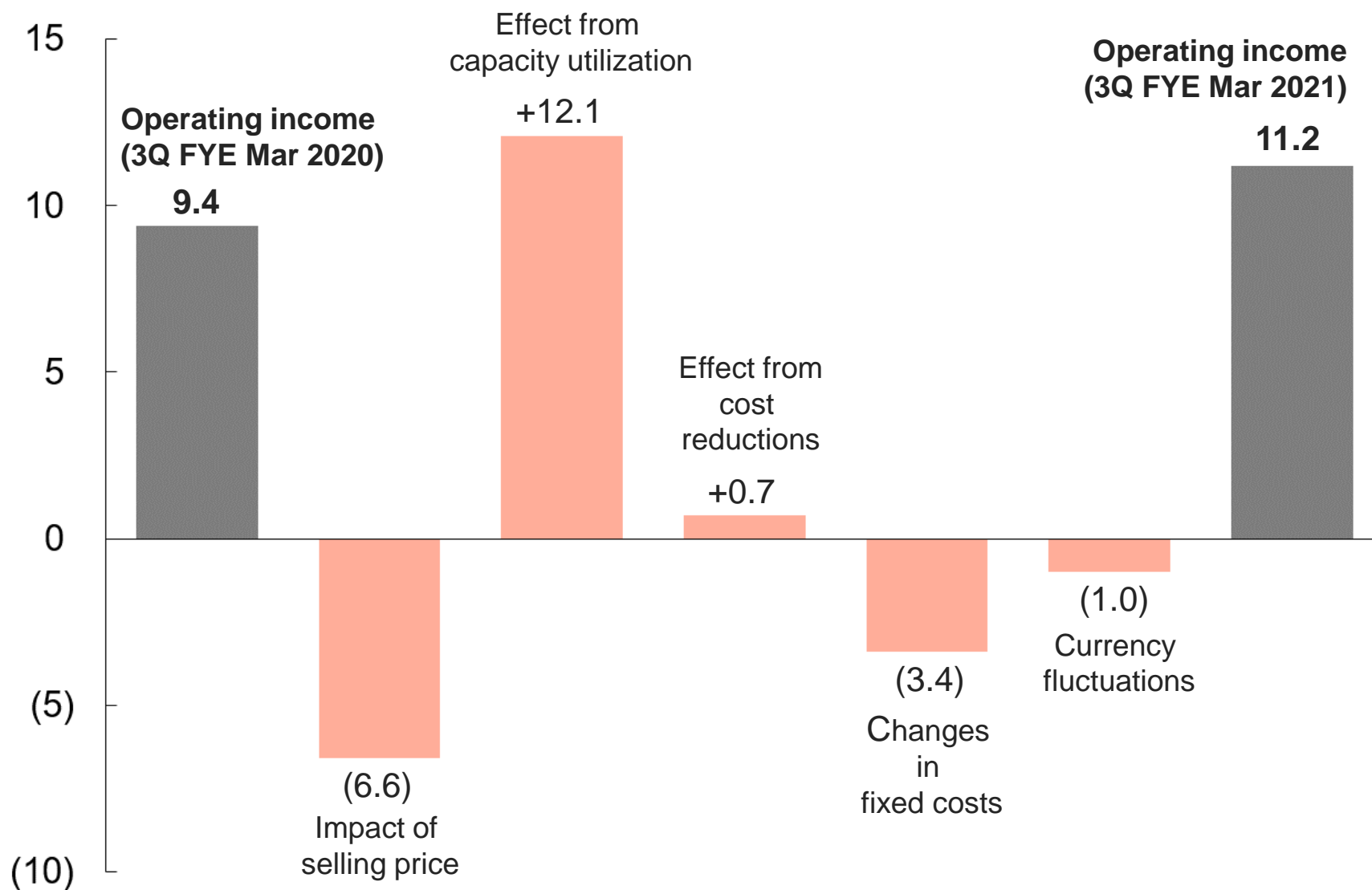
Supplementary Information

3Q – Consolidated Financial Results (Y/Y)

¥ in million	FYE Mar 31, 2020 3Q		FYE Mar 31, 2021 3Q		Change Y/Y	
Net sales	72,187	100.0%	81,226	100.0%	9,039	12.5%
Operating income	9,446	13.1%	11,199	13.8%	1,752	18.6%
Ordinary income	9,152	12.7%	11,422	14.1%	2,269	24.8%
Net income attributable to owners of parent company	4,666	6.5%	8,383	10.3%	3,716	79.7%
Yen to USD average exchange rate	108.17 yen		105.15 yen		3.02 yen appreciated	
Impact of exchange rate fluctuation	(1.0) billion yen on net sales, (1.0) billion yen on operating income * Including the impact of currencies other than US dollars					
R&D expenses	3,200		3,200		(0)	(0.0)%
Capital investment	7,326		7,160		(166)	(2.3)%
Depreciation expenses	6,734		7,558		824	12.2%

3Q - Factors behind Operating Income (Y/Y)

(¥ in billion)

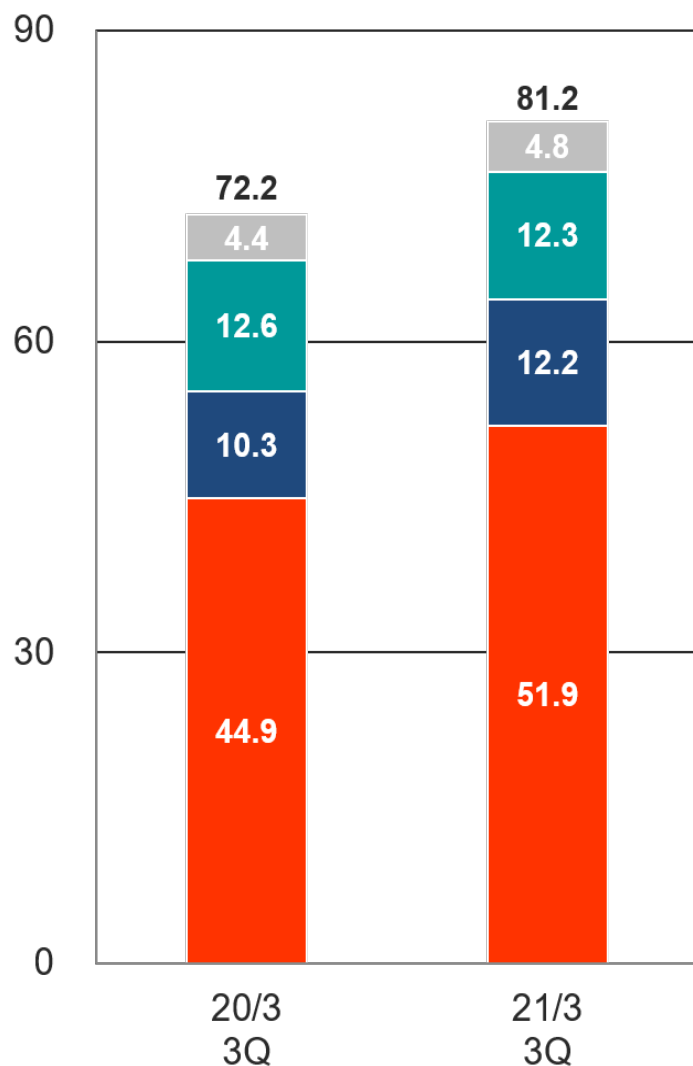


3Q – Financial Results by Product Classification (Y/Y)

¥ in million	FYE Mar 31, 2020 3Q		FYE Mar 31, 2021 3Q		Change Y/Y	
Capacitors	44,907	62.2%	51,895	63.9%	6,988	15.6%
Ferrite and applied products	10,303	14.3%	12,230	15.1%	1,926	18.7%
Integrated modules & devices	12,621	17.5%	12,311	15.2%	(309)	(2.5)%
Others	4,354	6.0%	4,788	5.9%	433	10.0%
Total net sales	72,187	100.0%	81,226	100.0%	9,039	12.5%

Financial Results by Product Classification (Y/Y)

(¥ in billion)



Capacitors

(+15.6% Y/Y)

Sales increased, mainly for use in consumer products, information equipment, and automobiles.

Ferrite and applied products

(+18.7% Y/Y)

Sales increased overall, mainly for use in communication equipment.

Integrated modules & devices

((2.5)% Y/Y)

Sales of various modules and communication devices (FBAR/SAW) decreased.

Others

(+10.0% Y/Y)

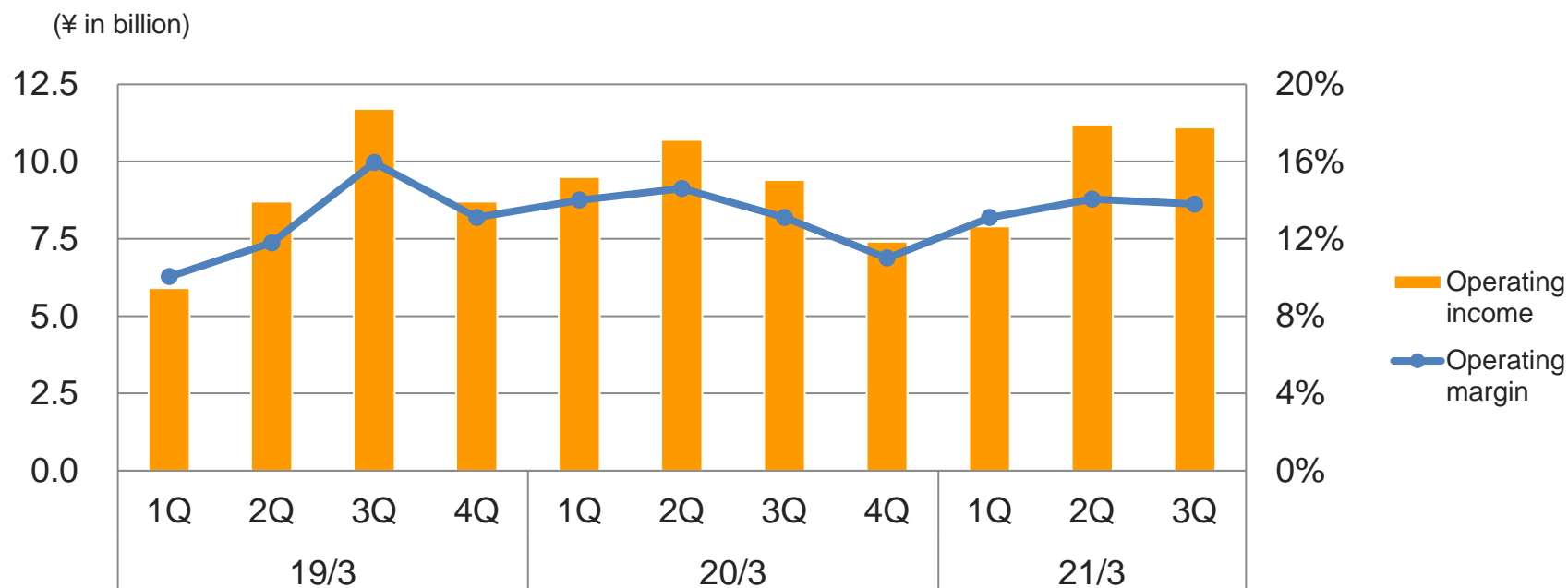
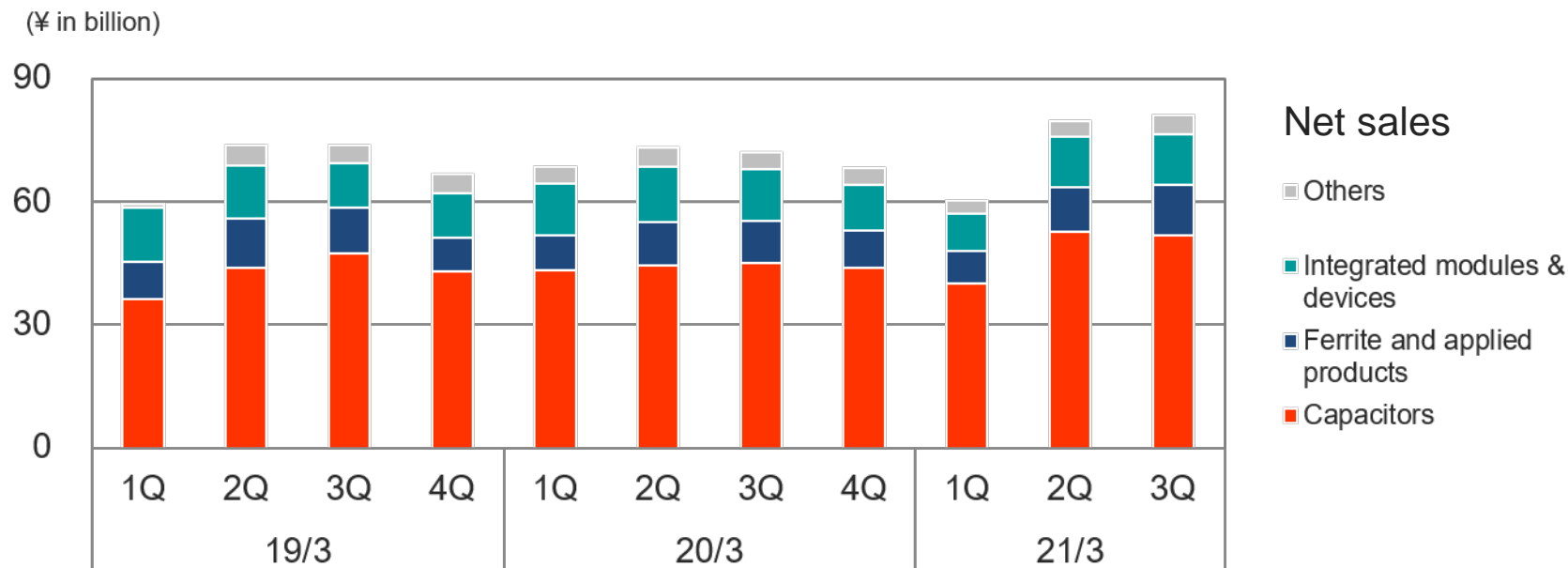
Sales of aluminum electrolytic capacitors for use in automobiles increased.

Capacitors Ferrite and applied products Integrated modules & devices Others

Consolidated Earnings Trends (Quarterly)

¥ in million	FYE Mar 31, 2019				FYE Mar 31, 2020				FYE Mar 31, 2021		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net sales	59,576	73,989	73,963	66,820	68,635	73,272	72,187	68,233	60,493	79,728	81,226
Capacitors	36,184	43,984	47,362	43,101	43,338	44,473	44,907	43,738	40,075	52,596	51,895
Ferrite and applied products	9,228	11,926	11,209	8,231	8,633	10,742	10,303	9,090	7,928	10,903	12,230
Integrated modules & devices	13,208	13,160	10,783	10,778	12,523	13,436	12,621	11,226	9,075	12,330	12,311
Others	954	4,918	4,607	4,708	4,139	4,620	4,354	4,178	3,413	3,899	4,788
Operating income	5,981	8,722	11,789	8,744	9,595	10,703	9,446	7,431	7,923	11,203	11,199
Ordinary income	6,896	8,489	11,403	7,562	8,846	10,330	9,152	6,835	7,371	10,812	11,422
Net income attributable to owners of parent company	5,645	5,334	9,069	3,638	7,151	8,180	4,666	(1,975)	4,541	6,900	8,383
Yen to USD average exchange rate	107.76 yen	110.84 yen	112.71 yen	110.64 yen	110.95 yen	107.58 yen	108.17 yen	109.54 yen	107.61 yen	106.82 yen	105.15 yen

Consolidated Earnings Trends (Quarterly)

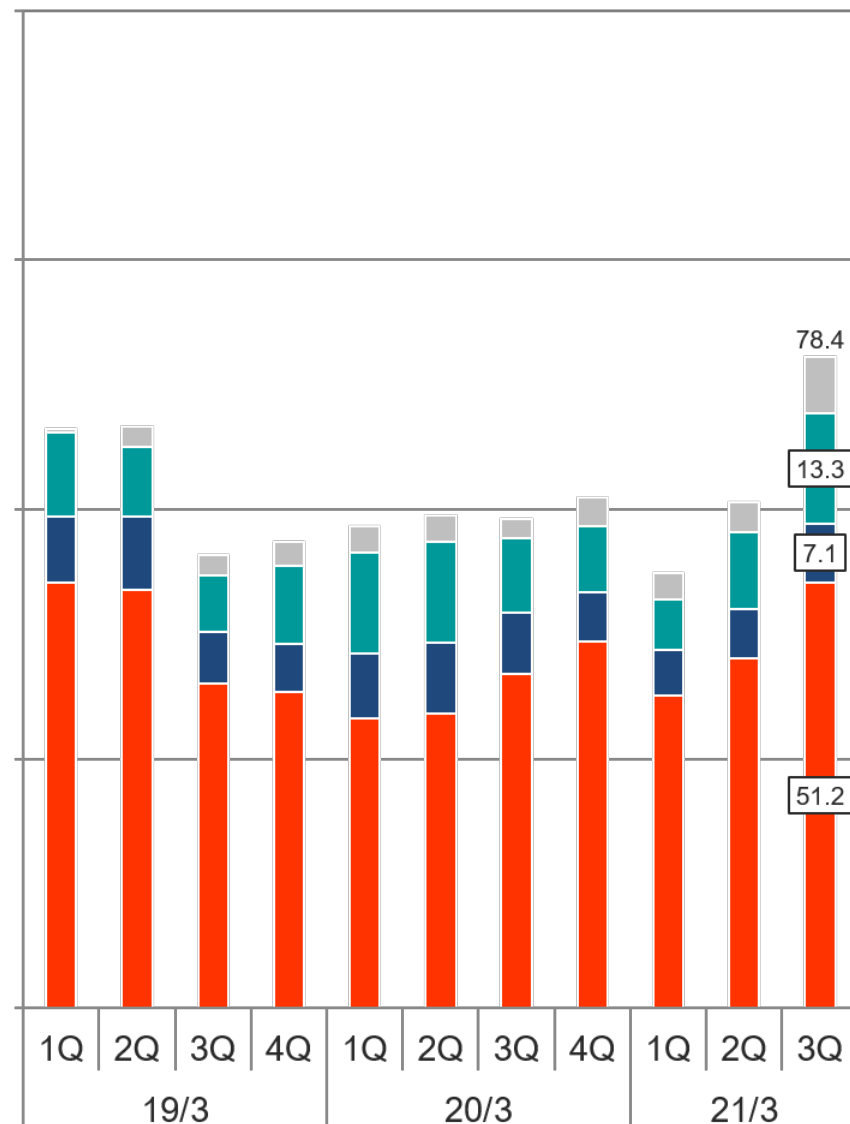
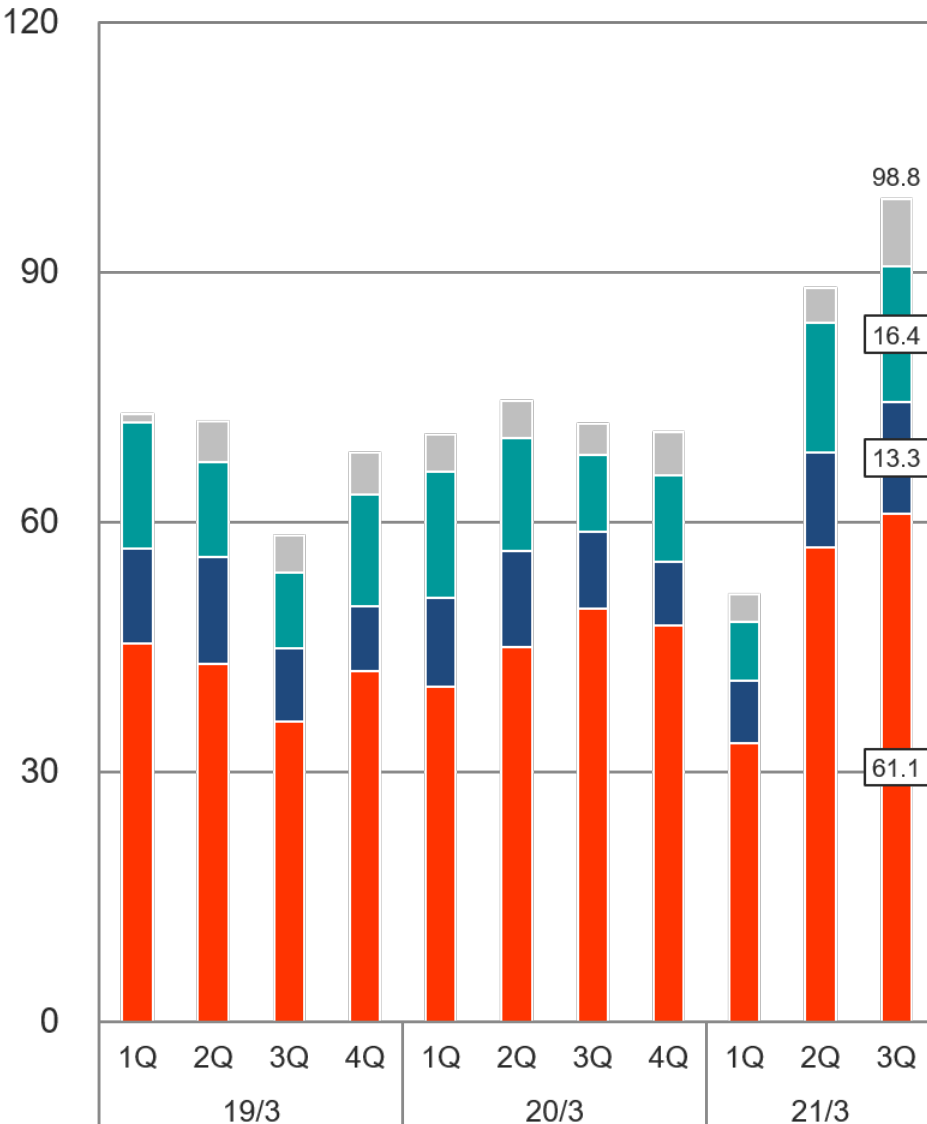


Orders Received and Order Backlog Trends (Quarterly)

(¥ in billion)

Orders received

Order backlog



■ Capacitors
 ■ Ferrite and applied products
 ■ Integrated modules & devices
 ■ Others

Forward-looking statements

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.

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