

# **Consolidated Financial Results**

First quarter for the year ending March 31, 2021

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# Financial Summary

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## 1Q for the Year Ending March 2021

- Net sales were ¥60.5 billion, which is largely in line with the forecast as of May.
- Operating income was ¥7.9 billion. This exceeded the forecast as of May due to such factors as control of fixed costs, the impact of exchange rates, and the effect of capacity utilization.
- Net sales decreased ¥7.0 billion as operations at production subsidiaries in the Philippines and Malaysia were restricted due to the impact of COVID-19. All production sites in Japan and overseas are operating as normal.

## Earnings Forecast for the Year Ending March 2021

- Net sales are projected to decrease 6% Y/Y to ¥265.0 billion, and operating income is projected to decrease 27% Y/Y to ¥27.0 billion.

# Impact of COVID-19

## Sales

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

## Procurement

There are some problems with procurement from suppliers, but we are resolving this by changing procurement channels and utilizing current inventory, etc.

## Distribution

The decrease in the number of flights is 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 are operating as normal.

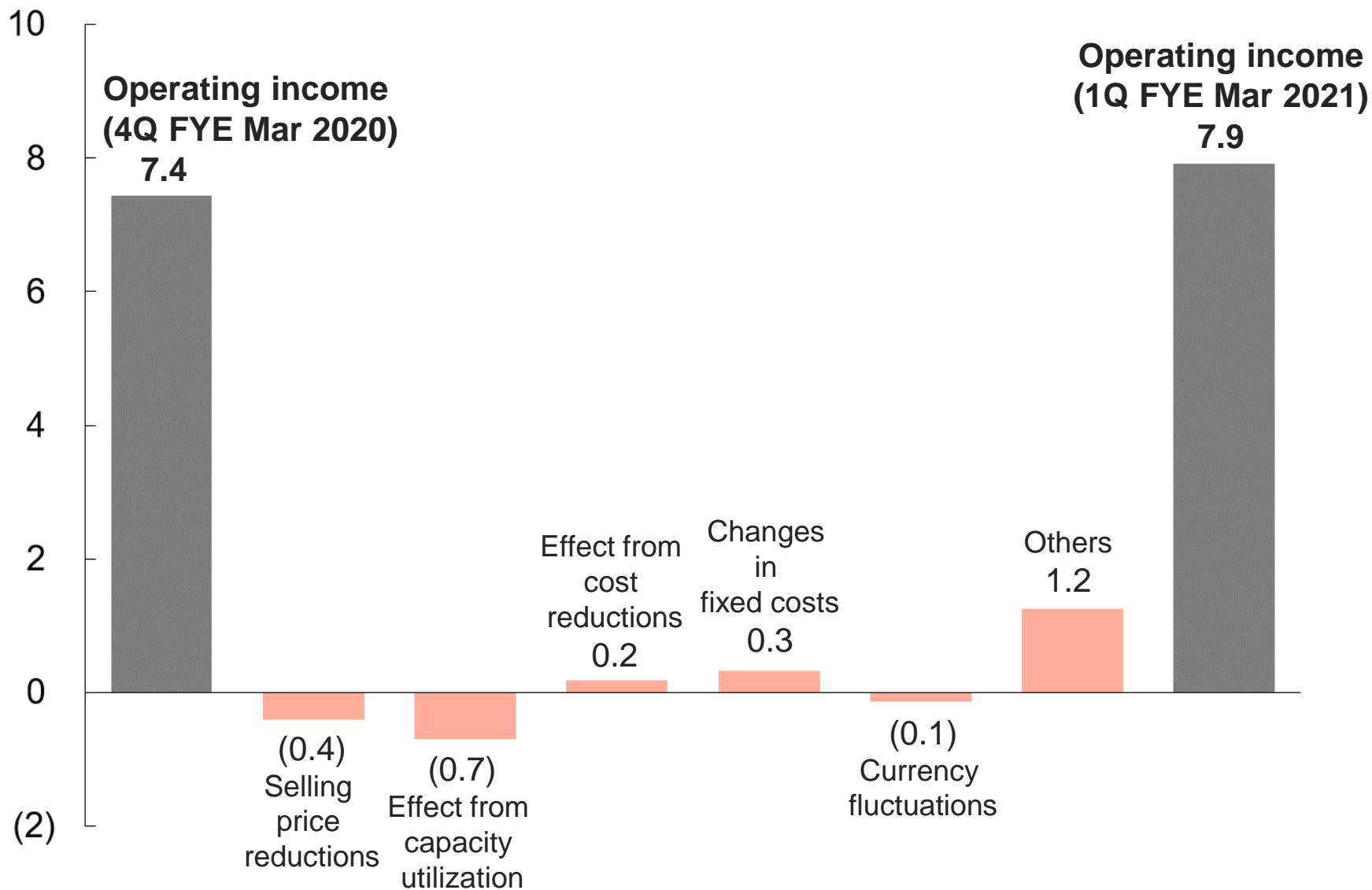
Country	Company	Main production items	Operation status	
			As of May 12	As of August 7
Philippines	TAIYO YUDEN (PHILIPPINES)	Inductors	Operating (with constraints)	Operating as normal (from June)
Malaysia	TAIYO YUDEN (SARAWAK)	Multilayer ceramic capacitors	Operating (with constraints)	Operating as normal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

# Consolidated Financial Results (Q/Q)

¥ in million	FYE Mar 31, 2020 4Q (01 Jan 2020 –31 Mar 2020)		FYE Mar 31, 2021 1Q (01 Apr 2020 –30 Jun 2020)		Change Q/Q	
Net sales	68,233	100.0%	60,493	100.0%	(7,740)	(11.3)%
Operating income	7,431	10.9%	7,923	13.1%	492	6.6%
Ordinary income	6,835	10.0%	7,371	12.2%	535	7.8%
Net income attributable to owners of parent company	(1,975)	—	4,541	7.5%	6,517	—
Yen to USD average exchange rate	109.54 yen		107.61 yen		1.93 yen appreciated	
Impact of exchange rate fluctuation	(0.9) billion yen on net sales, (0.1) billion yen on operating income * Including the impact of currencies other than US dollars					
R&D expenses	3,295		2,988		(306)	(9.3)%
Capital investment	14,687		17,886		3,198	21.8%
Depreciation expenses	7,389		6,599		(789)	(10.7)%

# Factors driving Operating Income (Q/Q)

(¥ in billion)

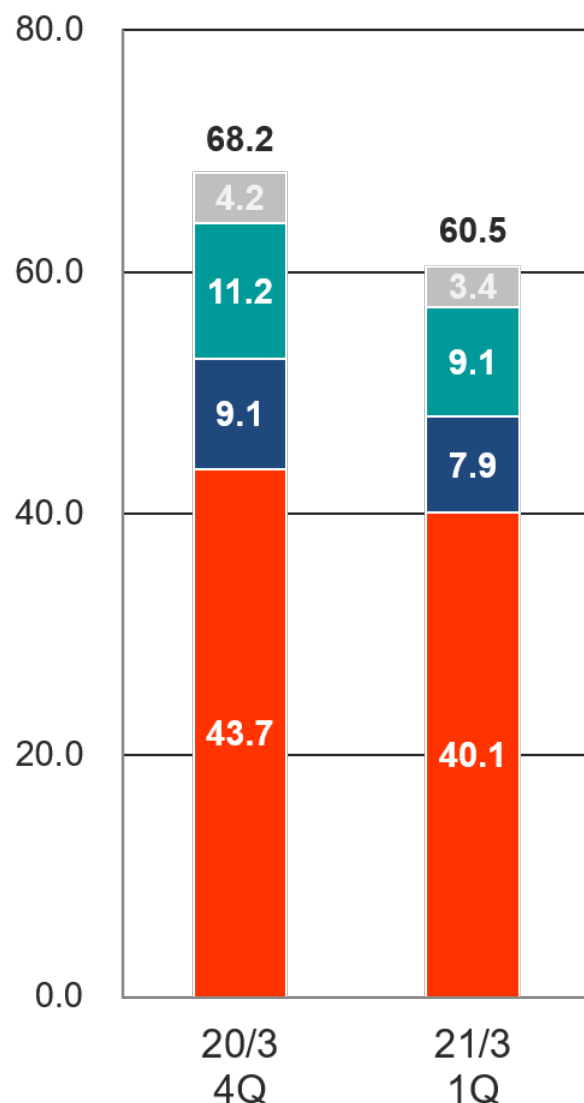


# Financial Results by Product Classification (Q/Q)

¥ in million	FYE Mar 31, 2020 4Q		FYE Mar 31, 2021 1Q		Change Q/Q	
Capacitors	43,738	64.1%	40,075	66.2%	(3,663)	(8.4)%
Ferrite and applied products	9,090	13.3%	7,928	13.1%	(1,161)	(12.8)%
Integrated modules & devices	11,226	16.5%	9,075	15.0%	(2,150)	(19.2)%
Others	4,178	6.1%	3,413	5.6%	(764)	(18.3)%
Total net sales	68,233	100.0%	60,493	100.0%	(7,740)	(11.3)%

# Financial Results by Product Classification (Q/Q)

(¥ in billion)



## ■ Capacitors (8.4)% Q/Q

Although sales for use in information equipment such as notebook PCs and tablets increased, sales for use in consumer products, such as televisions, communication equipment, such as smartphones, and automobiles decreased.

## ■ Ferrite and applied products (12.8)% Q/Q

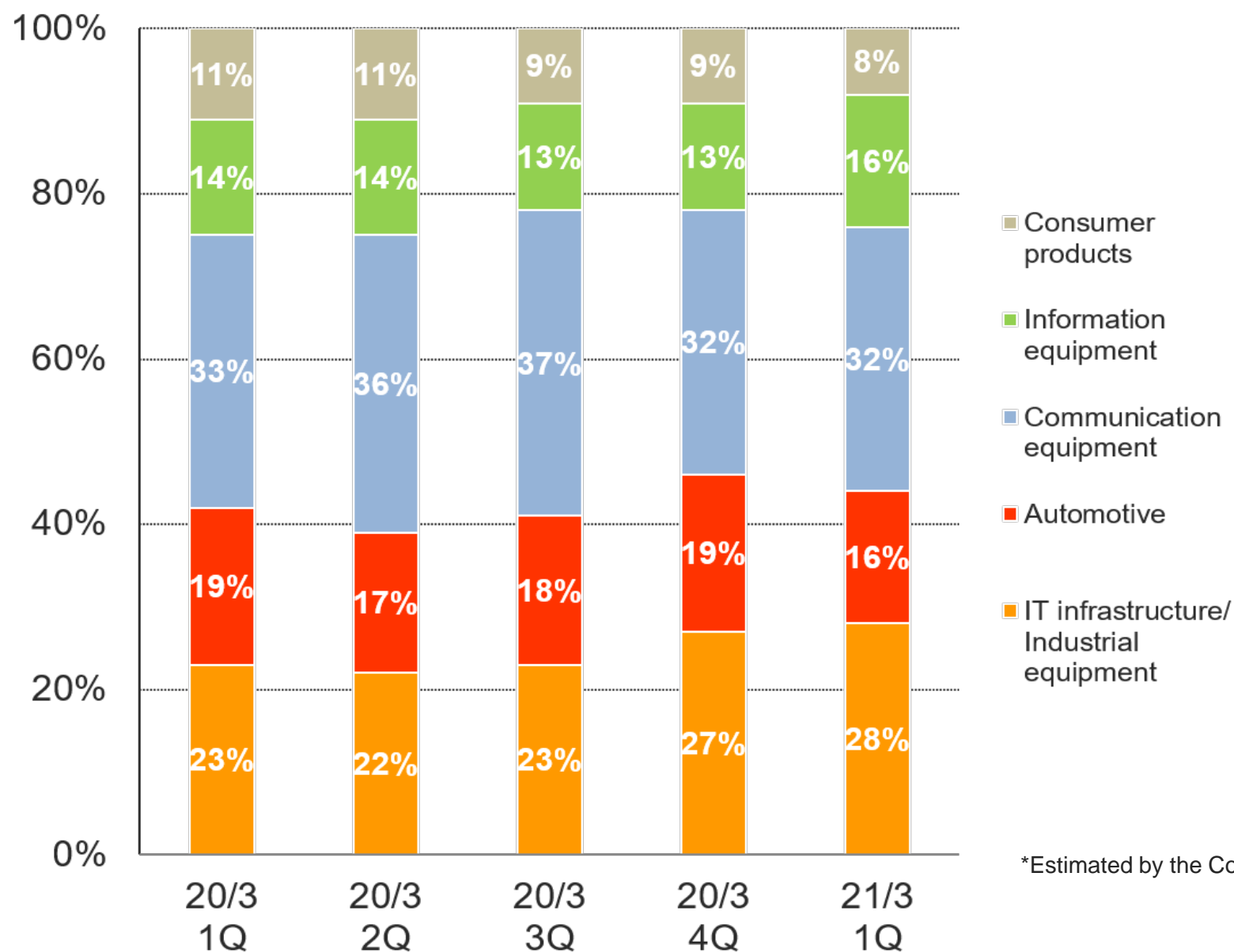
Although sales for use in communication equipment increased, sales for use in consumer products, information equipment, automobiles, and IT infrastructure/industrial equipment decreased.

## ■ Integrated modules & Devices (19.2)% Q/Q

Sales of communication devices (FBAR/SAW) for use in smartphones and modules fell.

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

# Sales by Market Sector



\*Estimated by the Company



# **Forecast of Consolidated Performance**

for the year ending March 31, 2021

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# Assumptions for FYE March 31, 2021 Forecast

## ■ Principal equipment trends

- Production forecasts

	FYE Mar. 31, 2021 Change Y/Y
PCs and tablets	(5)%
Smartphones	(12)%
Automobiles	(25)%

- There will be seasonal demand for electronic components for use in smartphones in 2Q to 3Q. Demand for products for use in automobiles will also recover from 2Q onward.

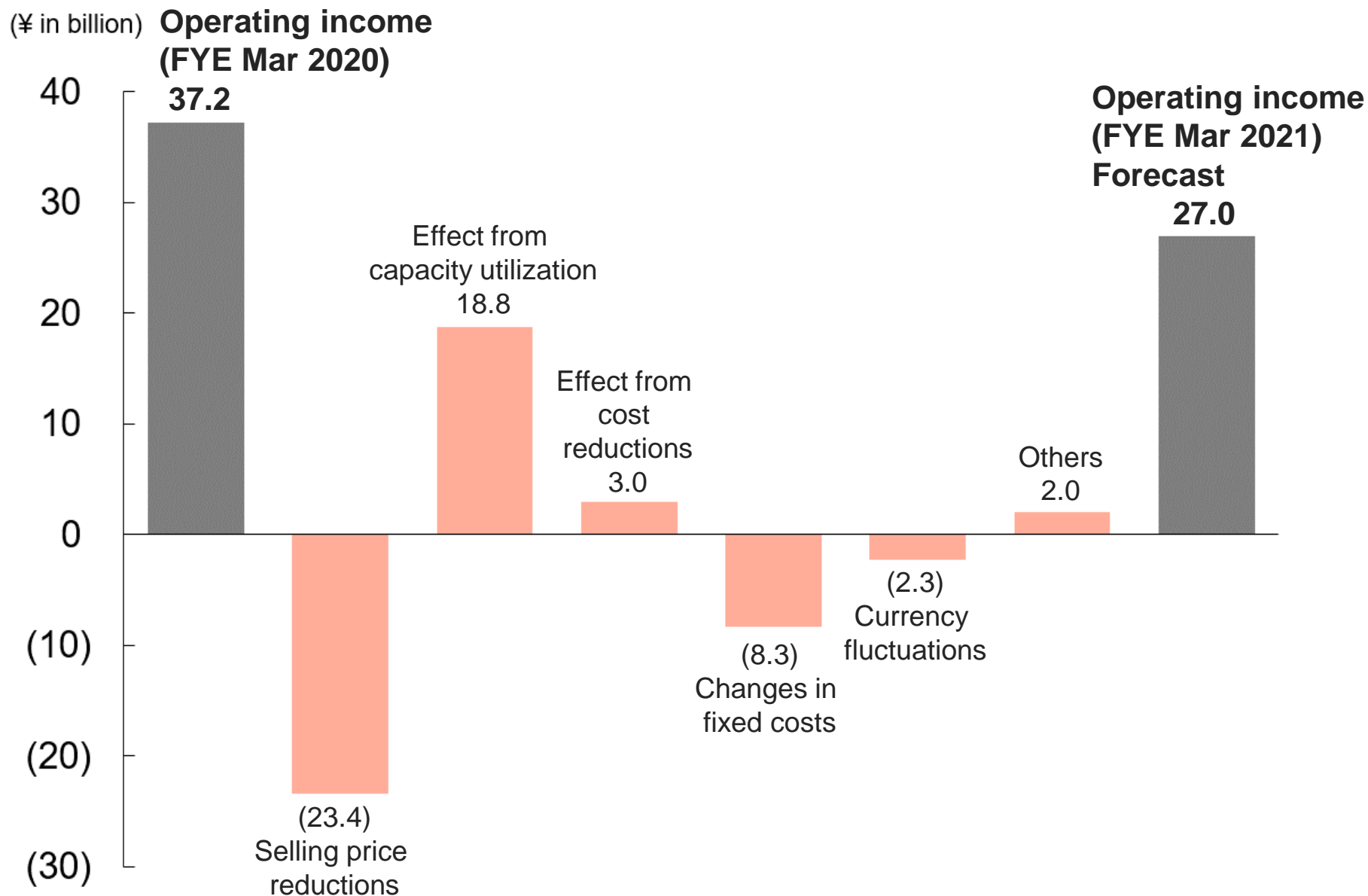
## ■ Response to COVID-19

- We will continue business activities having implemented infection control measures in an era of co-existence with COVID-19.
- Given supply risk, we will develop a system that can respond to the unexpected by holding a higher level of inventory than the usual inventory plan.

# Full-Year Forecast

¥ in million	FYE Mar 31, 2020		FYE Mar 31, 2021 Forecast			Change	
			1H				
Net sales	282,329	100.0%	130,000	265,000	100.0%	(17,329)	(6.1)%
Operating income	37,176	13.2%	15,000	27,000	10.2%	(10,176)	(27.4)%
Ordinary income	35,165	12.5%	14,000	26,000	9.8%	(9,165)	(26.1)%
Net income attributable to owners of parent company	18,022	6.4%	8,500	17,000	6.4%	(1,022)	(5.7)%
Yen to USD average exchange rate	109.06 yen		*2Q onward 107.00 yen			—	
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%

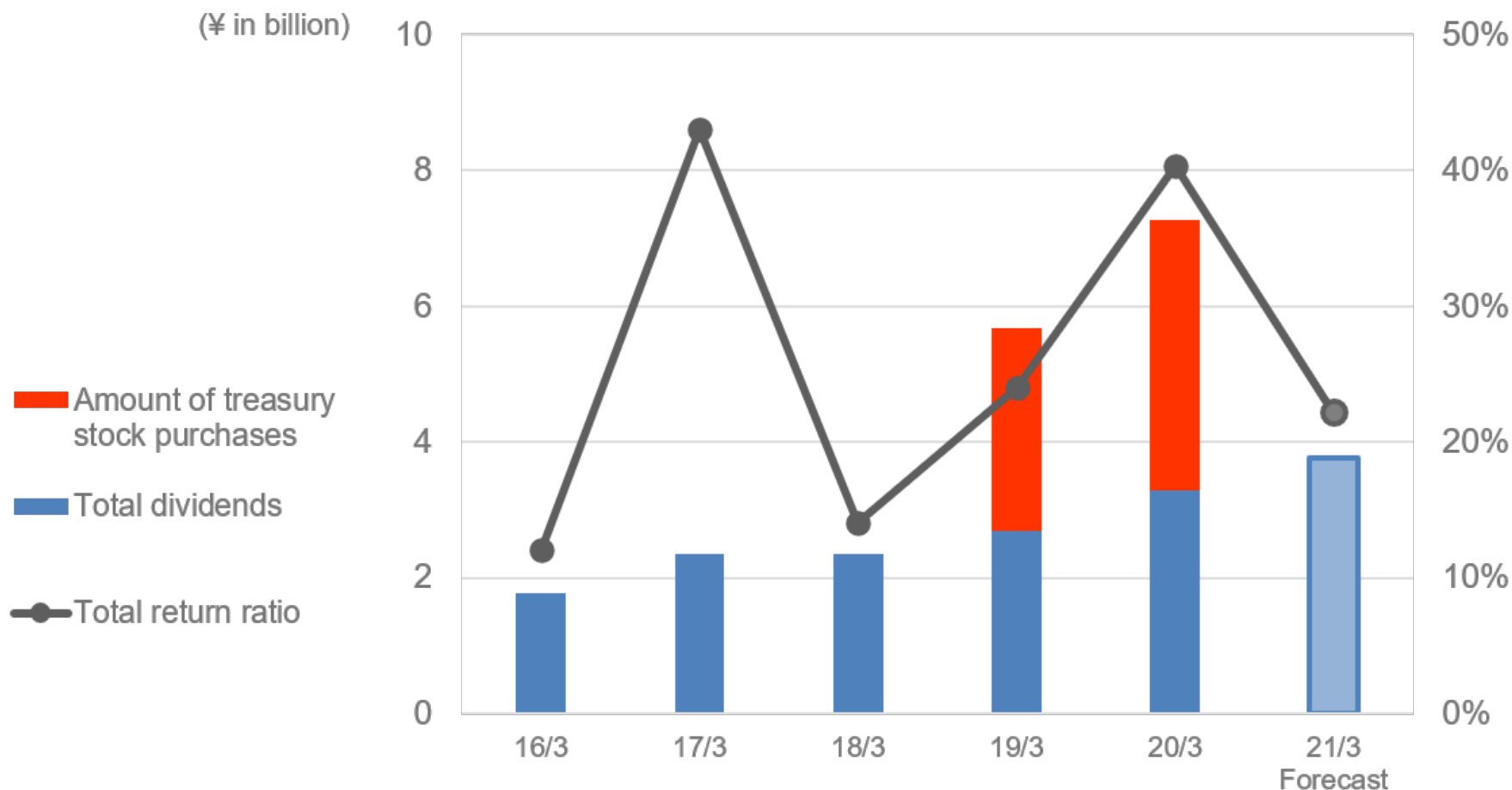
# Factors behind Operating Income in FYE March 2021



# Full-Year Forecast by Product Classification

¥ in million	FYE Mar 31, 2020		FYE Mar 31, 2021 Forecast			Change	
			1H				
Capacitors	176,457	62.5%	87,500	179,000	67.5%	2,543	1.4%
Ferrite and applied products	38,770	13.7%	17,500	36,500	13.8%	(2,270)	(5.9)%
Integrated modules & devices	49,808	17.6%	18,000	35,500	13.4%	(14,308)	(28.7)%
Others	17,292	6.1%	7,000	14,000	5.3%	(3,292)	(19.0)%
Total net sales	282,329	100.0%	130,000	265,000	100.0%	(17,329)	(6.1)%

# Return to Shareholders



Annual cash dividends per share (yen)	15	20	20	21	26	30
Net income per share (yen)	125.27	46.08	138.80	189.93	143.04	135.46

**Aim to achieve a stable total return ratio of 30%**

# Supplementary Information

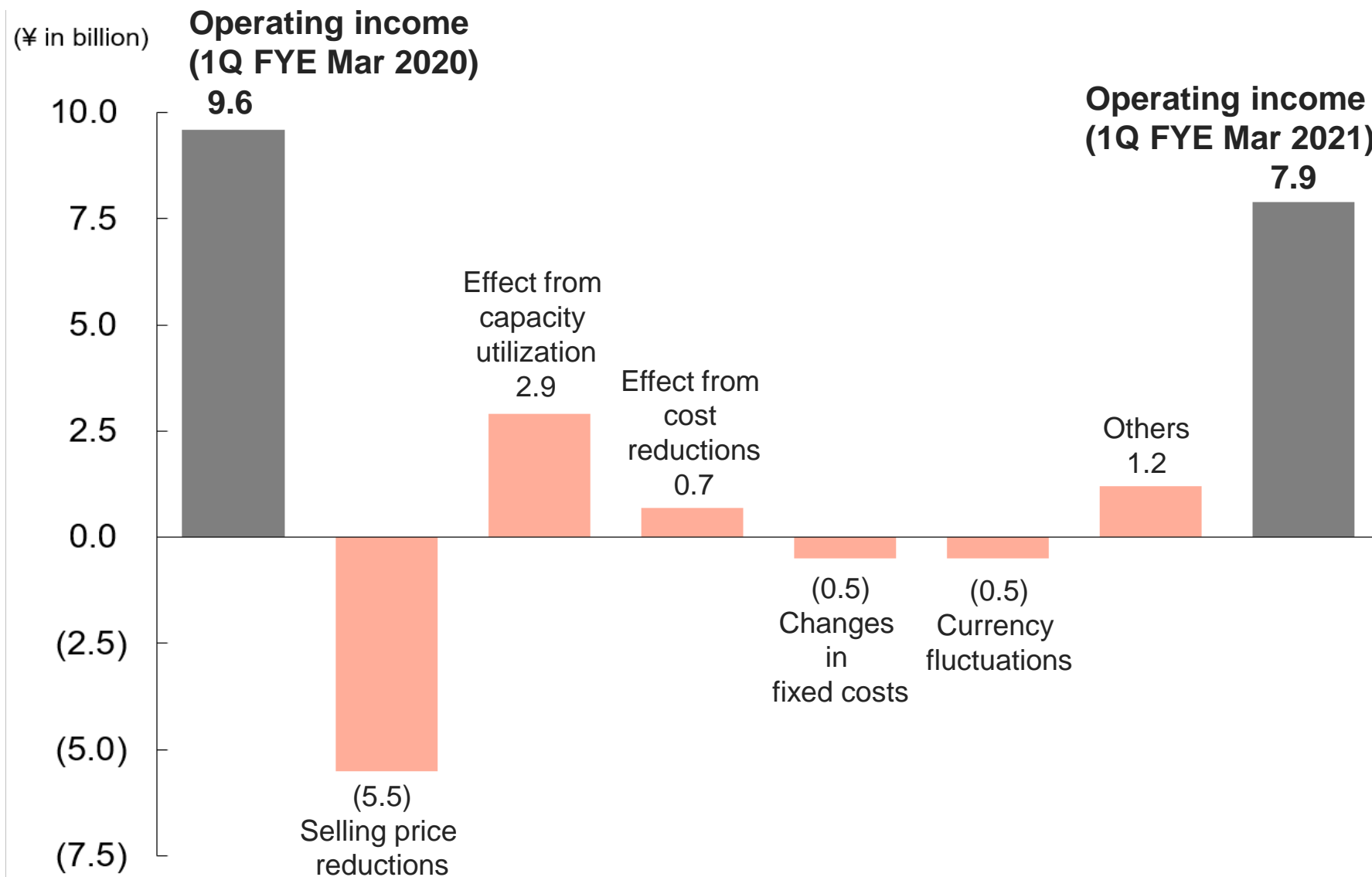
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# Consolidated Financial Results (Y/Y)

¥ in million	FYE Mar 31, 2020 1Q		FYE Mar 31, 2021 1Q		Change Y/Y	
Net sales	68,635	100.0%	60,493	100.0%	(8,142)	(11.9)%
Operating income	9,595	14.0%	7,923	13.1%	(1,672)	(17.4)%
Ordinary income	8,846	12.9%	7,371	12.2%	(1,474)	(16.7)%
Net income attributable to owners of parent company	7,151	10.4%	4,541	7.5%	(2,609)	(36.5)%
Yen to USD average exchange rate	110.95 yen		107.61 yen		3.34 yen appreciated	
Impact of exchange rate fluctuation	(1.6) billion yen on net sales, (0.5) billion yen on operating income * Including the impact of currencies other than US dollars					
R&D expenses	3,160		2,988		(171)	(5.4)%
Capital investment	8,605		17,886		9,280	107.8%
Depreciation expenses	6,338		6,599		261	4.1%



# Factors behind Operating Income (Y/Y)

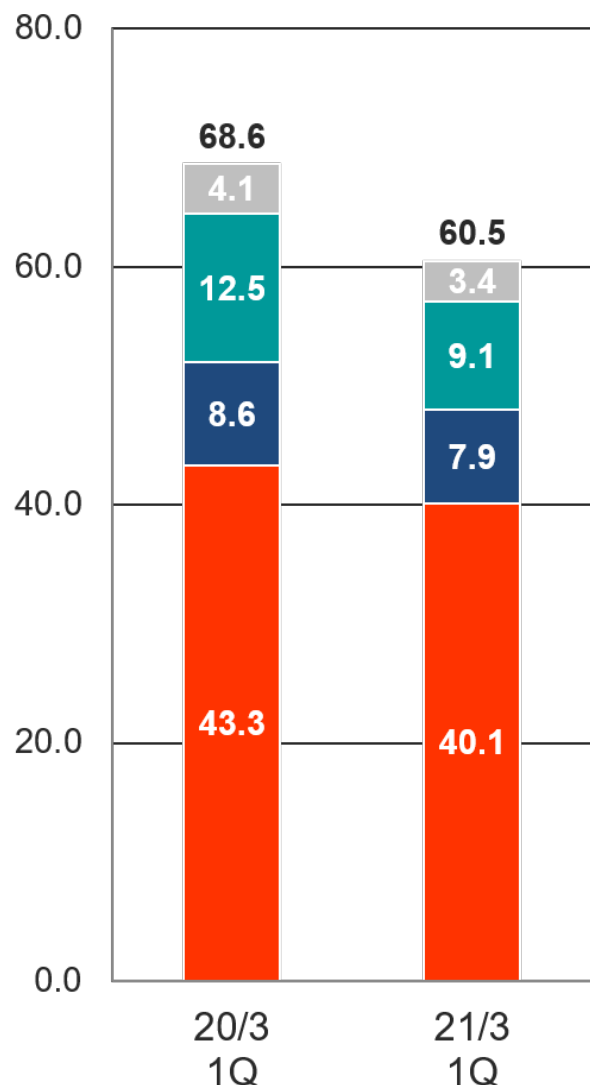


# Financial Results by Product Classification (Y/Y)

¥ in million	FYE Mar 31, 2020 1Q		FYE Mar 31, 2021 1Q		Change Y/Y	
Capacitors	43,338	63.1%	40,075	66.2%	(3,263)	(7.5)%
Ferrite and applied products	8,633	12.6%	7,928	13.1%	(705)	(8.2)%
Integrated modules & devices	12,523	18.2%	9,075	15.0%	(3,448)	(27.5)%
Others	4,139	6.0%	3,413	5.6%	(725)	(17.5)%
Total net sales	68,635	100.0%	60,493	100.0%	(8,142)	(11.9)%

# Financial Results by Product Classification (Y/Y)

(¥ in billion)



## ■ Capacitors (7.5)% Y/Y

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

## ■ Ferrite and applied products (8.2)% Y/Y

Although sales for use in communication equipment increased, sales for use in consumer products and automobiles, etc. decreased.

## ■ Integrated modules & devices (27.5)% Y/Y

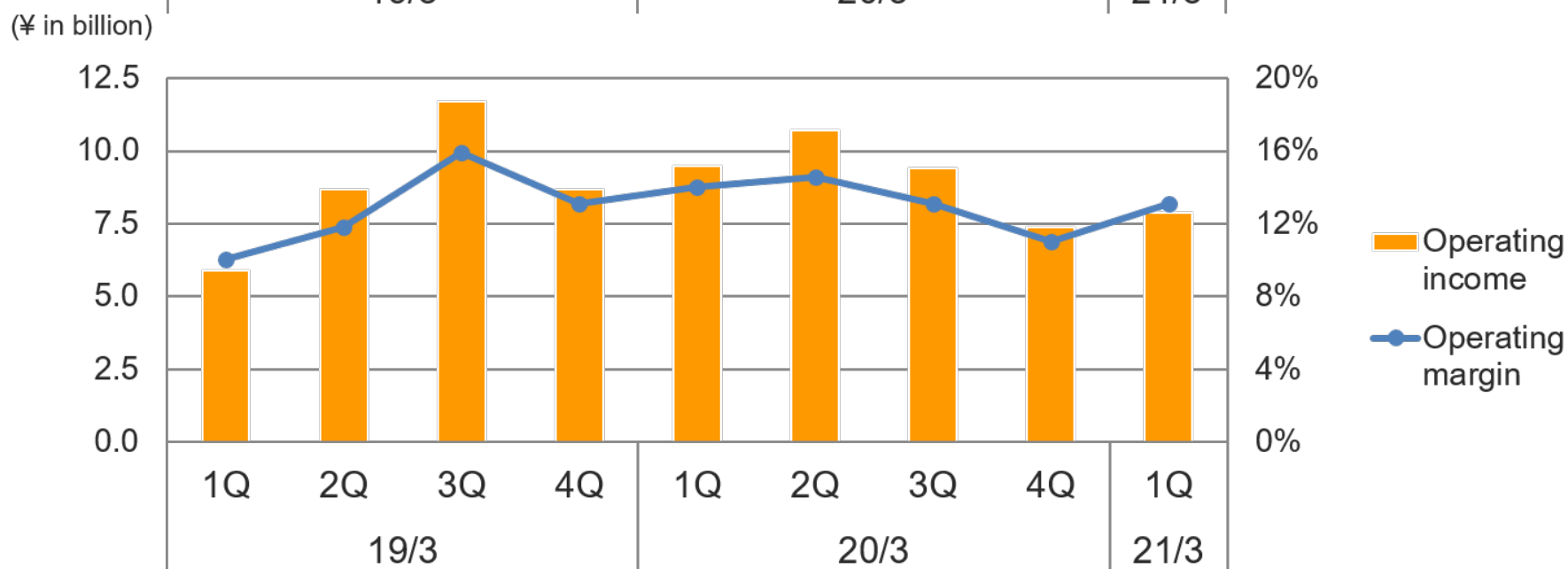
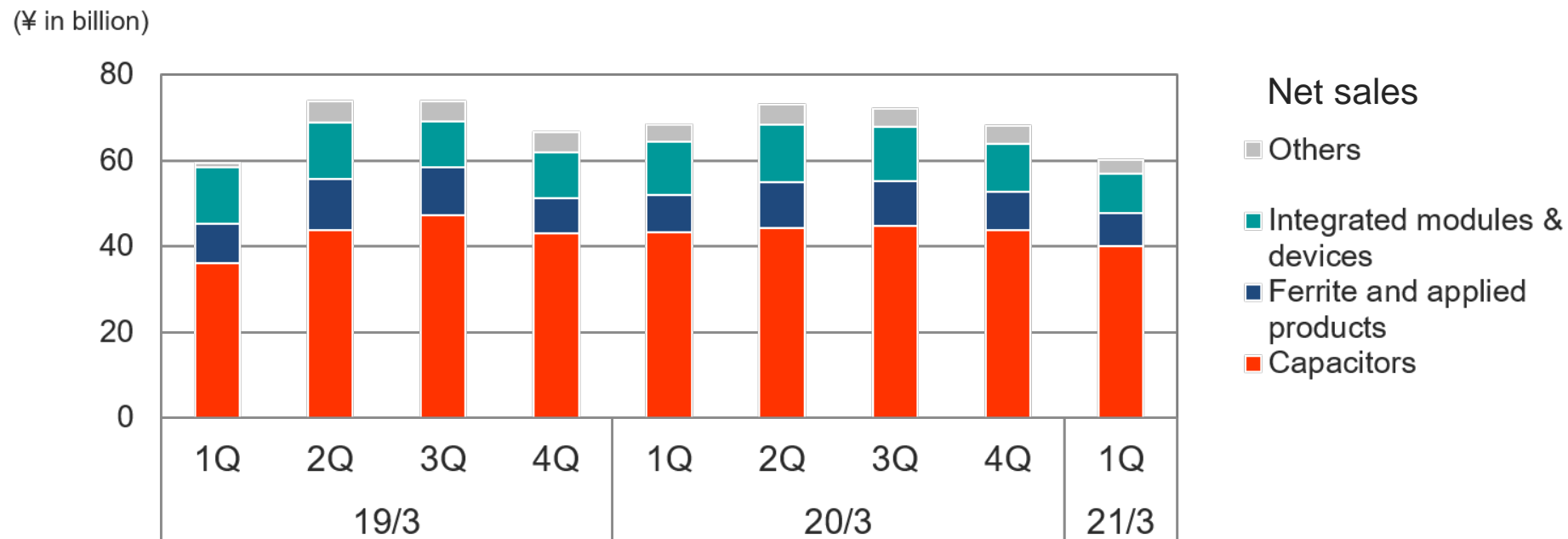
Sales of communication devices (FBAR/SAW) for use in smartphones and modules fell.

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

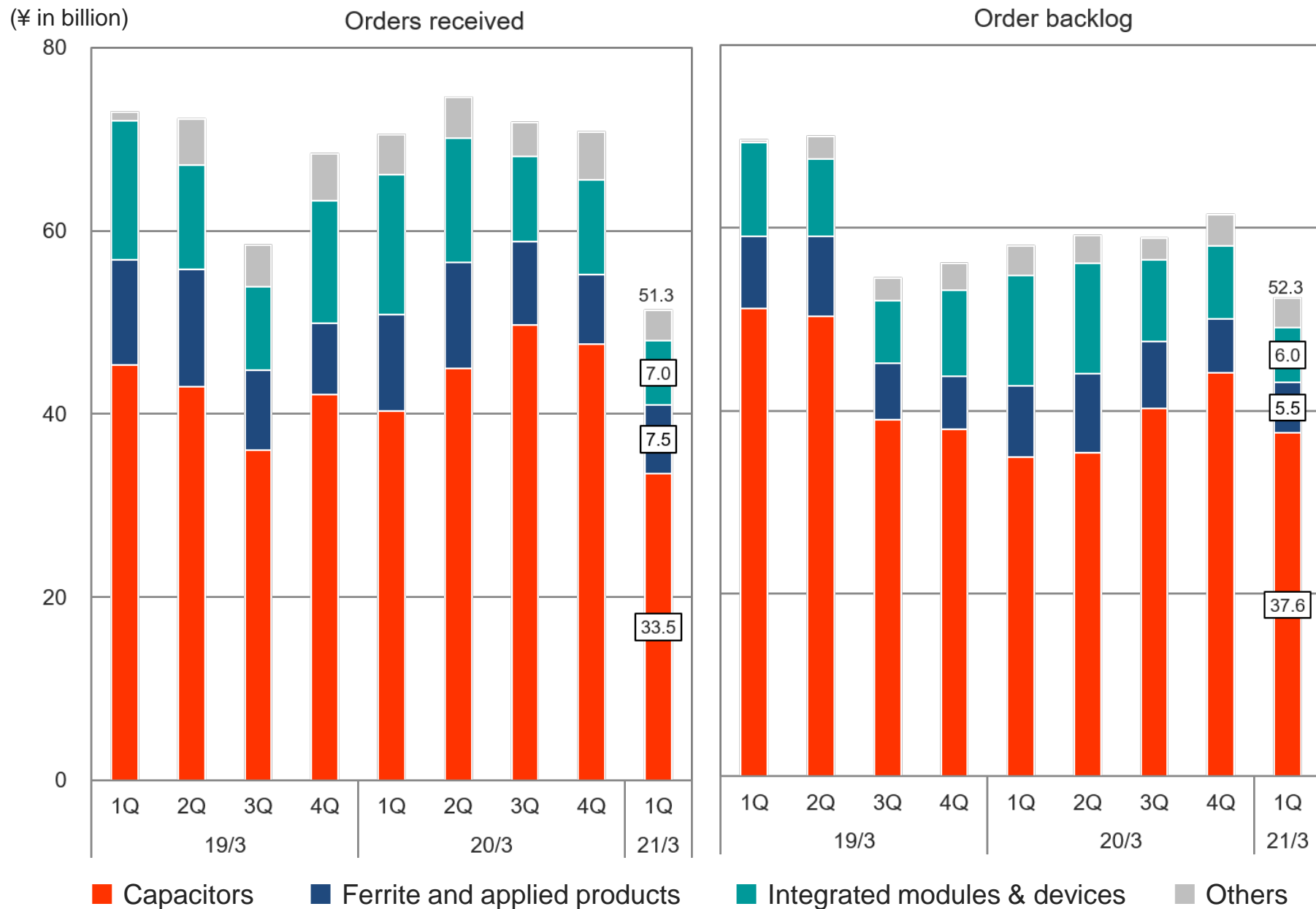
# Consolidated Earnings Trends (Quarterly)

¥ in million	FYE Mar 31, 2019				FYE Mar 31, 2020				FYE Mar 31, 2021
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Net sales	59,576	73,989	73,963	66,820	68,635	73,272	72,187	68,233	60,493
Capacitors	36,184	43,984	47,362	43,101	43,338	44,473	44,907	43,738	40,075
Ferrite and applied products	9,228	11,926	11,209	8,231	8,633	10,742	10,303	9,090	7,928
Integrated modules & devices	13,208	13,160	10,783	10,778	12,523	13,436	12,621	11,226	9,075
Others	954	4,918	4,607	4,708	4,139	4,620	4,354	4,178	3,413
Operating income	5,981	8,722	11,789	8,744	9,595	10,703	9,446	7,431	7,923
Ordinary income	6,896	8,489	11,403	7,562	8,846	10,330	9,152	6,835	7,371
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
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

# Consolidated Earnings Trends (Quarterly)



# Orders Received and Order Backlog Trends (Quarterly)



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## 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.

**TAIYO YUDEN**