

For immediate release

Notice concerning Differences between Forecasts and Results for the First Quarter of the Fiscal Year Ending March 31, 2021 and Full-Year Forecast of Financial Results

TOKYO, August 7, 2020 — TAIYO YUDEN Co., Ltd. hereby announces that differences have arisen between the consolidated forecast for the first quarter of the fiscal year ending March 31, 2021 (April 1, 2020 to June 30, 2020) published on May 12, 2020 and the results. In addition, the consolidated financial results forecast for the fiscal year ending March 31, 2021 (April 1, 2020 – March 31, 2021), which were yet to be determined, are published as shown below.

The details are as follows.

**1. Consolidated Results for the Three-month Period Ending June 30, 2021
(April 1, 2020 – June 30, 2020)**

Unit: Millions of yen

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent company	Net income per share [Yen]
Previous forecast (A)	60,000	3,000	2,500	1,500	11.95
Actual result (B)	60,493	7,923	7,371	4,541	36.19
Net change (B – A)	493	4,923	4,871	3,041	
Net change [%]	0.8%	164.1%	194.8%	202.7%	
(Reference) Three-month period ended June 30, 2020	68,635	9,595	8,846	7,151	56.26

2. Rationale for Differences between Forecasts and Results for the First Quarter of the Fiscal Year Ending March 31, 2021

During the first quarter of the fiscal year ending March 31, 2021, the differences between forecasts and results arose due to such factors as control of fixed costs, exchange rate fluctuations, and an increase in inventory as a measure to prepare for contingencies going forward. It is estimated there was a ¥7.0 billion decrease in sales owing to constraints on operations at production subsidiaries in the Philippines and Malaysia due to the impact of COVID-19.

3. Forecast Revision of Consolidated Results for the Six-month Period Ending September 30, 2021 (April 1, 2020 – September 30, 2020)

Unit: Millions of yen

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent company	Net income per share [Yen]
Previous forecast (A)	-	-	-	-	-
Revised forecast (B)	130,000	15,000	14,000	8,500	67.73
Net change (B – A)	-	-	-	-	
Net change [%]	-	-	-	-	
(Reference) Six-month period ended September 30, 2020	141,908	20,298	19,176	15,332	121.27

4. Forecast Revision of Consolidated Results for the Year Ending March 31, 2021 (April 1, 2020 – March 31, 2021)

Unit: Millions of yen

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent company	Net income per share [Yen]
Previous forecast (A)	-	-	-	-	-
Revised forecast (B)	265,000	27,000	26,000	17,000	135.46
Net change (B – A)	-	-	-	-	
Net change [%]	-	-	-	-	
(Reference) Year ended March 31, 2020	282,329	37,176	35,165	18,022	143.04

5. Rationale for the Consolidated Results Forecast for the Fiscal Year Ending March 31, 2021

Because of the sharp downturn in the global economy due to the COVID-19 pandemic as well as the increasing uncertainty resulting from trade issues and geopolitical risk for individual countries, it was difficult to calculate reasonable full-year forecasts of operating results for the fiscal year ending March 31, 2021 as of May 12, 2020. Accordingly, the Company only published the forecast of consolidated operating results for the first quarter of the fiscal year ending March 31, 2021. The Company will now publish the full-year forecasts of consolidated operating results for the fiscal year ending March 31, 2021 as shown above based on information and forecasts available as of the date of this document.

In the forecasts of operating results for the fiscal year ending March 31, 2021, sales and profit are forecast to decrease based on the assumption that the impact of COVID-19 will persist for the full

year. During the first quarter (the three-month period ended June 30, 2020), there were constraints on operations at production subsidiaries in the Philippines and Malaysia due to the impact of COVID-19, but we have assumed that these production subsidiaries will be able to operate as normal from the second quarter onward. The forecast is based on an average foreign currency exchange rate of US\$1:¥107.

Despite the current uncertainty and downturn in demand due to the impact of COVID-19, we have assumed there will be no significant changes to the trend of increasing demand for electronic components over the medium term. We expect that demand for large, high reliability components will increase alongside advancing use of electronics and electronic components and enhancements in performance for automobiles and information infrastructure, such as base station communication devices and data centers. These are our focus markets. Moreover, there are ongoing enhancements in the functionality and performance of communication equipment, such as 5G smartphones, and we believe there will be an increase in cutting edge products that require advanced technical capabilities. The Company will continue to make the essential investment to prepare for this demand and for achieving future growth. Meanwhile, we will continue working to create a more resilient distributed production system and to improve production efficiency utilizing AI and other means as measures to address risks going forward.

Disclaimer concerning Forecasts of Results:

The aforementioned forecasts of results are based on information available as of the date of this news release. As a result, information included in this document may include uncertain factors, and actual results may differ materially from forecasts due to a variety of factors.