

Consolidated Results for the year ended March 31, 2022

May 10, 2022

Company name: TAIYO YUDEN CO., LTD.

URL: <http://www.ty-top.com/>

Representative: Shoichi Tosaka, President and Chief Executive Officer

Contact: Tomomitsu Fukuda, Director and Senior Operating Officer,
Deputy Chief of Management Planning Headquarters

Telephone number: +81-3-6757-8310

Listing exchange: Tokyo Stock Exchange (Code Number: 6976)

Preparation of supplementary
materials for the annual
financial results: Yes

Holding of presentation of
annual financial results: Yes (For institutional investors and investment analysts)

1. Consolidated financial results for the period from April 1, 2021 to March 31, 2022

(1) Operating results (Percentages represent changes from the same period in the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2022	349,636	16.2	68,218	67.3	72,191	75.0	54,361	90.0
Year ended March 31, 2021	300,920	6.6	40,766	9.7	41,247	17.3	28,615	58.8

Note: Comprehensive income ended on March 31, 2022 69,260 million yen ; 85.3% ended on March 31, 2021 37,372 million yen ; 229.2%

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating income on net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	433.46	432.19	20.0	16.4	19.5
Year ended March 31, 2021	227.99	227.32	12.6	11.0	13.5

(Reference) Equity in earnings (losses) of affiliates
Year ended March 31, 2022 - million yen Year ended March 31, 2021 (283) million yen

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	474,522	300,286	63.1	2,403.20
As of March 31, 2021	404,642	243,941	60.1	1,937.86

(Reference) Shareholder's equity As of March 31, 2022 299,460 million yen As of March 31, 2021 243,233 million yen

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	67,315	(50,622)	(14,711)	88,609
Year ended March 31, 2021	52,882	(42,218)	12,604	81,785

2. Dividend information

	Cash dividends per share					Total annual dividend	Dividend payout ratio	Dividend on net assets
	1Q	2Q	3Q	Year End	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	-	15.00	-	25.00	40.00	5,020	17.5	2.1
Year ended March 31, 2022	-	40.00	-	40.00	80.00	10,007	18.5	3.3
Year ending March 31, 2023 (Forecast)	-	45.00	-	45.00	90.00		23.4	

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

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent company		Net income 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
Year ending March 31, 2023	385,000	10.1	70,000	2.6	69,000	(4.4)	48,000	(11.7)	385.21

4. Note

(1) Changes in principal subsidiaries during year ended March 31, 2022: No

Number of subsidiaries/Company Name Inclusion: - ; Exclusion: -

(2) Changes in accounting policies and accounting estimates, and restatements

a. Changes in accounting policies due to the revision of accounting standards: Yes

b. Changes in accounting policies by the reasons other than "a.": No

c. Changes in accounting estimates: No

d. Restatement: No

(3) Number of common shares outstanding :

a. Number of common shares outstanding (including treasury stock):

As of March 31, 2022 130,218,481 shares As of March 31, 2021 130,218,481 shares

b. Number of treasury stock:

As of March 31, 2022 5,609,656 shares As of March 31, 2021 4,702,096 shares

c. Average number of common shares outstanding:

Fiscal Year ended March 31, 2022 125,414,894 shares Fiscal Year ended March 31, 2021 125,512,815 shares

Others :

1. This financial press release is out of scope of the audit procedure.

2. 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.

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

Table of contents

1.	Analysis of Operating Results and Financial Condition	1
(1)	Analysis of Operating Results	1
(2)	Outlook for the Year Ending March 31, 2023	6
(3)	Basic Policy on Profit Distribution and Current/Subsequent Fiscal Year Dividend	8
2.	Basic Approach to Selection of Accounting Standard	8
3.	Consolidated Financial Statements	9
(1)	Consolidated Balance Sheets	9
(2)	Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income	11
	(Consolidated Statements of Operations)	11
	(Consolidated Statements of Comprehensive Income)	12
(3)	Consolidated Statements of Changes in Net Assets	13
(4)	Consolidated Statements of Cash Flows	15
(5)	Notes to Consolidated Financial Statements	17
	(Notes on Premise of Going Concern)	17
	(Changes to Accounting Policies)	17
	(Adoption of Accounting Standard for Fair Value Measurement, etc.)	17
	(Segment Information)	18
	(Per Share Information)	19
	(Significant Subsequent Events)	20
4.	Other	21
(1)	Production, Orders and Sales Results	21

1. Analysis of Operating Results and Financial Condition

(1) Analysis of Operating Results

① Operating Results for the Year Ended March 31, 2022

Economy and Market Conditions

During the fiscal year ended March 31, 2022 (April 1, 2021 – March 31, 2022), the business environment surrounding the TAIYO YUDEN Group (“the Group”) continued to show no signs of the end of the pandemic as some countries implemented large-scale lockdowns while many countries and regions moved toward the easing of severe restrictions on activities to prevent the spread of COVID-19. Although the global economy has headed toward recovery, risk factors such as rising raw material and logistics costs due to increased geopolitical risks are becoming more apparent. As for the future, the economic recovery trend is expected to continue, but it will be necessary to monitor the impact of infectious disease trends, the international situation, trade issues in individual countries, and fluctuations in financial and capital markets.

Company Actions Planned to Offset These Conditions

The Group is aiming to increase the proportion of sales in focus markets, primarily automotive and IT infrastructure/industrial equipment, to 50% to achieve the targets set out in Medium-Term Management Plan 2025. 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.

Based on the Business Continuity Plan (BCP), we have implemented various measures to prevent the spread of COVID-19 and to ensure the

health and wellbeing of stakeholders, including employees and suppliers. At production sites in Japan and overseas, we have continued production activities after ensuring thorough measures to prevent infection while following the instructions and guidance of national and local governments in each country. In addition, we are making efforts for non-production employees to carry out their duties and reduce the risk of infection by implementing such measures as working from home, depending on local infection status, in accordance with the instructions and requests on preventing the spread of infection from national and local governments in each country.

Overview of Business Performance

Consolidated net sales for the fiscal year ended March 31, 2022 totaled ¥349,636 million, which is an increase of 16.2% compared to the previous fiscal year. Operating income was ¥68,218 million, an increase of 67.3%. Ordinary income was ¥72,191 million, an increase of 75.0%. Net income attributable to owners of the parent company amounted to ¥54,361 million, up by 90.0% from the previous fiscal year. In the six-month period ended September 30, 2021, there were constraints on operations at the Group's production subsidiary in Malaysia due to the spread of COVID-19. However, the Group recorded sales and profit growth for the full fiscal year because of expansion in demand, primarily for products for use in automobiles and IT infrastructure/industrial equipment.

Exchange Rate

The average foreign currency exchange rate for the fiscal year ended March 31, 2022 was US\$1: ¥111.56. This is a depreciation of ¥5.59 as compared to the average realized in the previous fiscal year of US\$1: ¥105.97.

Net Sales by Product Classification

Starting from the three-month period ended June 30, 2021, the name for the "ferrite and applied products" classification has been changed to "inductors." There is no change to the product composition.

Capacitors

The capacitor product classification is comprised of multilayer ceramic capacitors.

Product sales for all equipment increased compared to the previous fiscal year. As a result, sales increased 18.0% year over year to ¥230,383 million.

Inductors

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

For the year ended March 31, 2022, sales for consumer products declined compared to the previous fiscal year, but sales for information equipment, communication equipment, automobiles, and IT infrastructure/industrial equipment increased. As a result, sales increased 17.7% year over year to ¥48,925 million.

Integrated Modules & Devices

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

For the year ended March 31, 2022, sales of circuit modules, etc. increased year over year. This resulted in a 4.0% increase in sales for this product classification year over year to ¥48,799 million.

Others

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

For the year ended March 31, 2022, consolidated sales in this classification totaled ¥21,527 million, up by 25.0% year over year.

② Analysis of Financial Condition

Assets, Liabilities and Net Assets

Assets

Total assets stood at ¥474,522 million as of March 31, 2022, up ¥69,879

million from the end of the previous fiscal year. Current assets increased ¥45,008 million. This increase in current assets was mainly due to the increase in work in process of ¥14,060 million, merchandise and finished products of ¥9,654 million, cash and deposits of ¥8,273 million. Fixed assets increased ¥24,871 million owing to the increase in property, plant and equipment of ¥25,763 million.

Liabilities

Total liabilities stood at ¥174,235 million as of the end of the fiscal year ended March 31, 2022. This was ¥13,534 million higher than the end of the previous fiscal year. This was mainly due to the increase in income taxes payable of ¥8,164 million, long-term borrowings of ¥6,961 million, short-term borrowings of ¥1.7 billion and the decrease in current portion of long-term borrowings of ¥9,426 million.

Net Assets

Net assets stood at ¥300,286 million as of March 31, 2022, up ¥56,344 million from the end of the previous fiscal year. Principal movements in net assets were an increase of retained earnings of ¥46.2 billion and foreign currency translation adjustments of ¥14,916 million.

③ Cash Flows

Operating activities

Net cash provided by operating activities for the year ended March 31, 2022 was ¥67,315 million, an increase of 27.3% compared with the previous fiscal year. The contributing factors are; income before income taxes of ¥71,872 million; depreciation and amortization of ¥31,287 million; increase in inventories ¥24,214 million, and income taxes (paid) of ¥9,893 million.

Investing activities

Net cash used in investing activities for the year ended March 31, 2022 totaled ¥50,622 million, an increase of 19.9% compared with the previous fiscal year. The largest cash outflow was ¥51,551 million paid for purchases of property, plant and equipment.

Financing activities

Net cash used in financing activities for the year ended March 31, 2022

totaled ¥14,711 million (net cash provided of ¥12,604 million for the year ended March 31, 2021). The main factors are proceeds from long-term borrowings of ¥11.0 billion, payments of cash dividends of ¥8,146 million and repayments of long-term borrowings of ¥13,465 million.

As a result of the aforementioned activities, cash and cash equivalent as of March 31, 2022 increased ¥6,823 million from the end of the previous fiscal year, to ¥88,609 million.

Reference: Trends in Cash Flow-Related indicators

	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
Equity ratio (%)	59.1	62.5	61.2	60.1	63.1
Equity ratio (%) (Market capitalization basis)	74.0	84.5	104.6	161.3	145.7
Cash flow to interest-bearing liabilities (years)	1.6	1.3	1.1	1.5	1.1
Interest coverage ratio (times)	141.0	143.6	126.1	150.3	175.1

Equity ratio = Shareholders' equity / Total assets

Equity ratio (Market capitalization basis) = Market capitalization / Total assets

Cash flow to interest-bearing liabilities = Interest-bearing liabilities / Cash flow

Interest coverage ratio = Cash flow / Interest expenditure

Notes:

1. All indicators have been calculated from consolidated financial figures.
2. Market capitalization is calculated based on the number of shares issued and outstanding less treasury stock.
3. Cash flow refers to cash flows from operating activities as shown on the consolidated statements of cash flows.
4. Interest-bearing liabilities comprise all debt on which interest is paid in the liabilities section of the consolidated balance sheets as well as noninterest-bearing convertible bonds with stock acquisition rights. Interest expenditure represents interest paid as shown on the consolidated statements of cash flows.

(2) Outlook for the Year Ending March 31, 2023

Consolidated operating earnings forecasts for the year ending March 31, 2023 are as follows.

(Millions of yen unless otherwise stated)

Item \ Period	Six-month period ending September 30, 2022		Year ending March 31, 2023	
	Amount	YoY (%)	Amount	YoY (%)
Net sales	183,000	6.0	385,000	10.1
Operating income	32,000	(7.7)	70,000	2.6
Ordinary income	31,000	(12.8)	69,000	(4.4)
Net income attributable to the owners of the parent company	21,500	(24.4)	48,000	(11.7)

As for the market environment in the fiscal year ending March 31, 2023, it is anticipated that demand for electronic components will rise 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 the impact of cost increases, including raw materials and logistics, because of rising geopolitical risk and other factors. Other contributing factors include restrictions on economic activities due to lockdowns in some regions as COVID-19 continues to spread.

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 assumption for the average foreign currency exchange rate during the fiscal year ending March 31, 2023 is US\$1: ¥120.

The Group also formulated Medium-Term Management Plan 2025, a five-year plan which commenced in fiscal 2021. Looking ahead to 2030, which is ten years from now, we aim to enhance corporate value through the combination of economic and social value, and we have set 2025 as a

milestone for achieving a significant position as a manufacturer of components.

Corporate Value (Economic Value + Social Value)

Economic Value		Social Value	
Net sales	480 billion yen	GHG (greenhouse gas) emissions	FY2030 (Absolute amount reductions) 42% reduction (compared with FY2020)
Operating margin	15% or higher	Waste, Water usage	FY 2025 (Per basic units) 10% reduction (compared with FY2020)
ROE	15% or higher	Safe & secure workplace Optimization of group base functions	<ul style="list-style-type: none"> • Incident rate of injuries and illness*1 < 0.016 • Accident frequency rate*2 < 0.08
ROIC	10% or higher	Work style reforms Diversity	<ul style="list-style-type: none"> • Work engagement*3 2.5 or higher • Ratio of newly recruited female graduates 30% or higher • Female manager ratio FY2030 10% or higher

*1 Number of injured or ill persons requiring one or more days off due to workplace related injury or illness per 200,000 labor hours

*2 Number of fatalities or injuries requiring one or more days off due to workplace accident per 1 million labor hours

*3 Represents the state of mind of employees regarding work, which is measured on a four-point scale for employees

In order to realize the targets for economic value, we will aim to increase the proportion of sales in focus markets, primarily automotive and IT infrastructure/industrial equipment, to 50%. 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.

*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.

(3) Basic Policy on Profit Distribution and Current/Subsequent Fiscal Year Dividend

The Company recognizes that enhancing the return of profits to shareholders is one of management's most important tasks and strives for a stable increase in dividends.

The Company plans a year-end dividend of 40 yen per share for the fiscal year ended March 31, 2022, which together with the interim dividend gives an annual dividend of 80 yen and a dividend payout ratio of 18.5%. Moreover, the Company acquired approximately 5.0 billion yen in treasury stock during the fiscal year ended March 31, 2022 to improve capital efficiency. Going forward, the Company will aim to achieve a stable dividend payout ratio of 30% in addition to acquiring treasury stock as necessary.

Furthermore, the Company plans an annual dividend of 90 yen per share (interim dividend: 45 yen, year-end dividend: 45 yen) for the fiscal year ending March 31, 2023.

The Company has stipulated that an interim dividend can be offered based on a resolution by our Board of Directors and has established a basic policy to offer two dividends per annum in the form of an interim dividend and year-end dividend. The interim dividend is resolved by the Company's Board of Directors. The year-end dividend is resolved at the general shareholders' meeting.

2. Basic Approach to Selection of Accounting Standard

TAIYO YUDEN Group uses Generally Accepted Accounting Principles in Japan (Japan GAAP) for the preparation of its consolidated financial statements in view of comparability for the period covered by the consolidated financial statements and inter-company comparability.

The Group's policy is to proceed with consideration into the application of International Financial Reporting Standards taking into account a trend of circumstances and outside Japan.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
ASSETS		
Current assets:		
Cash and deposits	84,297	92,570
Trade notes and accounts receivable	78,738	86,585
Merchandise and finished products	19,849	29,504
Work in process	30,183	44,243
Raw materials and supplies	17,902	23,033
Other	6,876	6,981
Allowance for doubtful receivables	(247)	(311)
Total current assets	237,599	282,607
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	115,053	120,596
Machinery and equipment	304,632	335,309
Tools, furniture and fixtures	30,849	33,773
Land	14,752	15,179
Construction in progress	10,824	28,603
Accumulated depreciation	(316,940)	(348,527)
Net property, plant and equipment	159,172	184,936
Intangible fixed assets:		
Other	1,371	1,340
Total intangible fixed assets	1,371	1,340
Investments and other assets:		
Investment securities	2,405	1,505
Net defined benefit asset	55	70
Deferred tax assets	2,144	2,536
Other	1,891	1,525
Total investments and other assets	6,498	5,637
Total fixed assets	167,042	191,914
Total assets	404,642	474,522

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
LIABILITIES		
Current liabilities:		
Trade notes and accounts payable	31,728	32,828
Short-term borrowings	18,500	20,200
Current portion of long-term borrowings	13,462	4,035
Accrued amounts payable	15,907	15,613
Income taxes payable	5,803	13,967
Accrued bonuses for employees	5,132	5,890
Accrued bonuses for directors and corporate auditors	388	679
Other	11,555	13,798
Total current liabilities	102,477	107,013
Long-term liabilities:		
Long-term borrowings	41,788	48,749
Deferred tax liabilities	3,828	3,835
Accrued retirement benefits for directors and corporate auditors	43	31
Net defined benefit liability	5,105	5,315
Other	7,458	9,291
Total long-term liabilities	58,223	67,222
Total liabilities	160,701	174,235
NET ASSETS		
Shareholders' equity:		
Common stock	33,575	33,575
Capital surplus	49,903	49,908
Retained earnings	174,977	221,178
Treasury stock	(8,576)	(13,454)
Total shareholders' equity	249,879	291,207
Accumulated other comprehensive income		
Net unrealized holding gains on securities	1,090	518
Deferred gains (losses) on hedges	(106)	(190)
Foreign currency translation adjustments	(6,669)	8,246
Remeasurements of defined benefit plans	(960)	(321)
Total accumulated other comprehensive income	(6,646)	8,252
Stock acquisition rights	708	826
Total net assets	243,941	300,286
Total liabilities and net assets	404,642	474,522

(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Operations)

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Net sales	300,920	349,636
Cost of sales	211,965	224,654
Gross profit	88,955	124,981
Selling, general and administrative expenses	48,188	56,763
Operating income	40,766	68,218
Non-operating income:		
Interest income	118	275
Dividend income	53	24
Gain on foreign exchange	197	3,295
Subsidy income	1,021	568
Other	186	429
Total non-operating income	1,578	4,593
Non-operating expenses:		
Interest expense	368	390
Equity in losses of affiliate	283	-
Depreciation of inactive noncurrent assets	276	80
Other	168	148
Total non-operating expenses	1,097	620
Ordinary income	41,247	72,191
Extraordinary gains:		
Gain on sales of property, plant and equipment	57	99
Gain on sales of investment securities	466	497
Other	67	91
Total extraordinary gains	591	689
Extraordinary losses:		
Loss on disposal and sales of property, plant and equipment	624	506
Impairment loss	1,084	180
Loss on devaluation of shares of subsidiaries and associates	258	-
Business structure improvement expenses	439	-
Loss on disaster	-	291
Loss by COVID-19	2,098	-
Other	322	28
Total extraordinary losses	4,828	1,008
Income before income taxes	37,010	71,872
Income taxes - current	8,546	17,682
Income taxes - deferred	(151)	(172)
Total income taxes	8,395	17,510
Net income	28,615	54,361
Net income attributable to owners of the parent company	28,615	54,361

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Net income	28,615	54,361
Other comprehensive income		
Net unrealized holding gains (losses) on securities	670	(572)
Deferred gains (losses) on hedges	(24)	(83)
Foreign currency translation adjustments	8,250	14,916
Remeasurement of defined benefit plans	(139)	639
Total other comprehensive income (loss)	8,757	14,898
Comprehensive income	37,372	69,260
(Breakdown)		
Comprehensive income attributable to shareholders	37,372	69,260

(3) Consolidated Statements of Changes in Net Assets

Prior fiscal year (April 1, 2020 - March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	33,575	49,903	150,263	(8,596)	225,146
Changes of items during the year					
Dividends from surplus			(3,765)		(3,765)
Net income attributable to owners of the parent company			28,615		28,615
Purchase of treasury stock				(9)	(9)
Disposal of treasury stock		(0)		29	28
Increase (decrease) resulting from change in fiscal period of consolidated subsidiaries			(135)		(135)
Net change of items other than shareholders' equity during the period					
Total changes of items during the year	-	(0)	24,714	19	24,733
Balance at the end of the year	33,575	49,903	174,977	(8,576)	249,879

	Accumulated other comprehensive income					Stock acquisition rights	Total net assets
	Net unrealized holding gains on securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Accumulated other comprehensive income		
Balance at the beginning of the year	430	(82)	(14,779)	(824)	(15,255)	563	210,454
Changes of items during the year							
Dividends from surplus							(3,765)
Net income attributable to owners of the parent company							28,615
Purchase of treasury stock							(9)
Disposal of treasury stock							28
Increase (decrease) resulting from change in fiscal period of consolidated subsidiaries							(135)
Net change of items other than shareholders' equity during the period	660	(24)	8,109	(136)	8,609	144	8,753
Total changes of items during the year	660	(24)	8,109	(136)	8,609	144	33,486
Balance at the end of the year	1,090	(106)	(6,669)	(960)	(6,646)	708	243,941

Current fiscal year (April 1, 2021 - March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	33,575	49,903	174,977	(8,576)	249,879
Changes of items during the year					
Dividends from surplus			(8,161)		(8,161)
Net income attributable to owners of the parent company			54,361		54,361
Purchase of treasury stock				(5,008)	(5,008)
Disposal of treasury stock		4		131	136
Increase (decrease) resulting from change in fiscal period of consolidated subsidiaries					-
Net change of items other than shareholders' equity during the period					
Total changes of items during the year	-	4	46,200	(4,877)	41,328
Balance at the end of the year	33,575	49,908	221,178	(13,454)	291,207

	Accumulated other comprehensive income					Stock acquisition rights	Total net assets
	Net unrealized holding gains on securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Accumulated other comprehensive income		
Balance at the beginning of the year	1,090	(106)	(6,669)	(960)	(6,646)	708	243,941
Changes of items during the year							
Dividends from surplus							(8,161)
Net income attributable to owners of the parent company							54,361
Purchase of treasury stock							(5,008)
Disposal of treasury stock							136
Increase (decrease) resulting from change in fiscal period of consolidated subsidiaries							-
Net change of items other than shareholders' equity during the period	(572)	(83)	14,916	639	14,898	117	15,016
Total changes of items during the year	(572)	(83)	14,916	639	14,898	117	56,344
Balance at the end of the year	518	(190)	8,246	(321)	8,252	826	300,286

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Operating activities:		
Income before income taxes	37,010	71,872
Depreciation and amortization	29,256	31,287
Impairment loss	1,084	180
Business structure improvement expense	439	-
Loss on disaster	-	291
Loss by COVID-19	2,098	-
Increase (decrease) in allowance for doubtful receivables	(278)	37
Increase (decrease) in accrued bonuses for employees	423	720
Increase (decrease) in accrued bonuses for directors and corporate auditors	155	290
Increase (decrease) in accrued retirement benefits for directors and corporate auditors	(7)	(12)
Interest and dividend income	(172)	(299)
Interest expense	368	390
Equity in earnings of affiliate	283	-
(Gain) loss on disposal and sales of property, plant and equipment	567	407
(Gain) loss on sales of investment securities	(461)	(469)
Subsidy income	(684)	(258)
Loss on devaluation of shares of subsidiaries and associates	258	-
(Increase) decrease in trade receivables	(9,783)	(1,148)
(Increase) decrease in inventories	(2,610)	(24,214)
Increase (decrease) in trade payables	4,466	571
Other	375	(2,157)
Subtotal	62,791	77,490
Interest and dividends received	173	291
Interest paid	(351)	(384)
Business structure improvement expense paid	(199)	-
Payments associated with disaster loss	-	(187)
Anti-monopoly Act related loss paid	(2,823)	-
Loss by COVID-19 paid	(1,803)	-
Income taxes (paid) refunded	(4,903)	(9,893)
Net cash provided by operating activities	52,882	67,315
Investing activities:		
Purchases of property, plant and equipment	(43,908)	(51,551)
Proceeds from sales of property, plant and equipment	135	230
(Increase) decrease in time deposits	33	(1,018)
Proceeds from sales of investment securities	1,026	885
Receipt from subsidy income	384	458
Purchase of shares of subsidiaries and associates	(92)	-
Other	202	373
Net cash used in investing activities	(42,218)	(50,622)

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Financing activities:		
Net increase (decrease) in short-term borrowings	(750)	1,700
Proceeds from long-term borrowings	20,500	11,000
Repayments of long-term borrowings	(2,666)	(13,465)
Purchases of treasury stock	(9)	(5,008)
Payments of cash dividends	(3,760)	(8,146)
Repayments of lease obligations	(701)	(791)
Other	(8)	(0)
Net cash provided by (used in) financing activities	12,604	(14,711)
Effect of exchange rate changes on cash and cash equivalents	2,386	4,841
Net increase (decrease) in cash and cash equivalents	25,654	6,823
Cash and cash equivalents at beginning of period	57,285	81,785
Increase (decrease) in cash and cash equivalents resulting from change in fiscal period of consolidated subsidiaries	(1,154)	-
Cash and cash equivalents at end of period	81,785	88,609

(5) Notes to Consolidated Financial Statements

(Notes on Premise of Going Concern)

No relevant items to report.

(Changes to Accounting Policies)

(Adoption of Accounting Standard for Revenue Recognition, etc.)

The Company adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) from the year ended March 31, 2022, and decided to recognize revenue in the amount expected to be received in exchange for promised goods and services at the point when control of the goods and services is transferred to the customer.

In accordance with the transitional treatment prescribed in the provisional clause of paragraph 84 of the Accounting Standard for Revenue Recognition for the adoption of the standard, etc., the cumulative effect of applying the new accounting policy retrospectively prior to the beginning of the current fiscal year was added to or subtracted from retained earnings at the beginning of the current fiscal year, and the new accounting policy was applied starting with the balance at the beginning of the current fiscal year. However, the Company adopted the method prescribed in paragraph 86 of the Accounting Standard for Revenue Recognition and did not apply the new accounting policy retrospectively to contracts for which almost all revenue amounts were recognized in accordance with the previous treatment prior to the beginning of the current fiscal year.

As a result, the impact of the change on the consolidated financial statements for the current fiscal year is minor. In addition, there is no effect on the balance of retained earnings at the beginning of the year.

The impact of the change on the per share information for the current fiscal year is minor.

(Adoption of Accounting Standard for Fair Value Measurement, etc.)

The Company adopted the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019) from the beginning of the current fiscal year. In accordance with the transitional treatment prescribed in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement 10, July 4, 2019), the Company decided to apply the new accounting policy prescribed in the Accounting Standard for Fair Value Measurement, etc. 10 prospectively. As a result,

the change has no impact on the consolidated financial statements for the current fiscal year.

(Segment Information)

a. **Segment information**

As the Group has a single business segment, publication of segment information has been omitted.

b. **Related information**

Year ended March 31, 2021 (April 1, 2020 – March 31, 2021)

1. Information for each product and service

Information for each product and service has been omitted here because it is disclosed in “4. Other; (1) Production, Orders and Sales Results.”

2. Information for each region

(1) Net sales (Millions of yen)

Japan	China	Hong Kong	Other countries or regions	Total
29,297	115,821	48,128	107,673	300,920

Note: Net sales are grouped according to the country or region of the customer’s business address.

(2) Property, plant and equipment (Millions of yen)

Japan	China	Malaysia	Other countries or regions	Total
103,956	15,699	25,156	14,359	159,172

3. Information for each main customer

Information for each main customer has been omitted because no customer accounts for more than 10% of net sales on the consolidated profit and loss statement.

Year ended March 31, 2022(April 1, 2021 – March 31, 2022)

1. Information for each product and service

Information for each product and service has been omitted here because it is disclosed in “4. Other; (1) Production, Orders and Sales Results.”

2. Information for each region

(1) Net sales (Millions of yen)

Japan	China	Hong Kong	Other countries and regions	Total
34,318	126,437	49,529	139,351	349,636

Note: Net sales are grouped according to the country or region of the customer’s business address.

(1) Property, plant and equipment (Millions of yen)

Japan	China	Malaysia	Other countries and regions	Total
109,725	26,247	33,548	15,415	184,936

3. Information for each main customer

Information for each main customer has been omitted because no customer accounts for more than 10% of net sales on the consolidated statements of operations.

c. ***Fixed asset impairment losses for each reportable segment***

As the Group has a single business segment, publication of segment information about fixed asset impairment losses has been omitted.

d. ***Information on amortization of goodwill and unamortized balance by reporting segment***

As the Group has a single business segment, publication of segment information about fixed asset impairment losses has been omitted.

e. ***Information on gain on negative goodwill by reporting segment***

No relevant items to report.

(Per Share Information) (yen)

	Year ended March 31, 2021 (April 1, 2020 – March 31, 2021)	Year ended March 31, 2022 (April 1, 2021 – March 31, 2022)
Net assets per share	1,937.86	2,403.20
Net income per share	227.99	433.46
Diluted net income per share	227.32	432.19

Note 1: The following represents the basic data used for calculating net assets per share.

(Millions of yen unless otherwise stated)

	As of March 31, 2021	As of March 31, 2022
Total net assets	243,941	300,286
Deductions from Total net assets	708	826
(Stock acquisition rights)	(708)	(826)
(Non-controlling interests)	(-)	(-)
Net assets at fiscal year-end related to common stock	243,233	299,460
Number of common stock at fiscal year-end used in the calculation of net assets per share (thousand shares)	125,516	124,608

Note 2: The following represents the basic data used for calculating net income per share and diluted net income per share.

(Millions of yen unless otherwise stated)

	Year ended March 31, 2021 (April 1, 2020 – March 31, 2021)	Year ended March 31, 2022 (April 1, 2021 – March 31, 2022)
Net income per share		
Net income attributable to owners of the parent company	28,615	54,361
Amounts not allocated to common stock shareholders	-	-
Net income attributable to owners of the parent company related to common stock	28,615	54,361
Average number of common stock outstanding in FY (thousand shares)	125,512	125,414
Diluted net income per share		
Adjustments to net income attributable to owners of parent company	-	-
Increase in common stock (thousand shares)	366	366
Stock acquisition rights (thousand shares)	(366)	(366)
Outline of stock not included in diluted net income per share due to lack of dilutive effect	-	-

(Significant Subsequent Events)

No relevant items to report.

4. Other

(1) Production, Orders and Sales Results

① Production

(Millions of yen)

Product classification	Year ended March 31, 2021		Year ended March 31, 2022	
	Amount	[%]	Amount	[%]
Capacitors	198,228	67.9	235,371	69.0
Inductors	42,506	14.6	50,341	14.7
Integrated modules & devices	36,360	12.5	37,094	10.9
Others	14,676	5.0	18,526	5.4
Total	291,772	100.0	341,335	100.0

Note:

1. Amounts are based on average unit sales prices for the period.
2. The Group has a single business segment which is electronic components, and the categories described above are not reportable business segments.
3. Starting from the fiscal year ended March 31, 2022, the name for the “ferrite and applied products” classification has been changed to “inductors.” The change has no impact on production by product classification.

② Orders

(Millions of yen)

Product classification	Year ended March 31, 2021		Year ended March 31, 2022	
	Amount	[%]	Amount	[%]
Capacitors	222,105	64.1	227,840	65.0
Inductors	43,850	12.6	49,891	14.2
Integrated modules & devices	57,507	16.6	44,463	12.7
Others	23,225	6.7	28,214	8.1
Total	346,689	100.0	350,409	100.0

Note:

1. The Group has a single business segment which is electronic components, and the categories described above are not reportable business segments.
2. Starting from the fiscal year ended March 31, 2022, the name for the “ferrite and applied products” classification has been changed to “inductors.” The change has no impact on orders by product classification.

③ Order Backlog

(Millions of yen)

Product classification	Year ended March 31, 2021		Year ended March 31, 2022	
	Amount	[%]	Amount	[%]
Capacitors	71,033	66.3	68,489	63.4
Inductors	8,205	7.7	9,172	8.5
Integrated modules & devices	18,597	17.3	14,261	13.2
Others	9,375	8.7	16,061	14.9
Total	107,211	100.0	107,984	100.0

Note:

1. The Group has a single business segment which is electronic components, and the categories described above are not reportable business segments.
2. Starting from the fiscal year ended March 31, 2022, the name for the “ferrite and applied products” classification has been changed to “inductors.” The change has no impact on order backlog by product classification.

④ **Sales Results**

(Millions of yen)

Product classification	Year ended March 31, 2021		Year ended March 31, 2022	
	Amount	[%]	Amount	[%]
Capacitors	195,198	64.9	230,383	65.9
Inductors	41,564	13.8	48,925	14.0
Integrated modules & devices	46,930	15.6	48,799	14.0
Others	17,227	5.7	21,527	6.2
Total	300,920	100.0	349,636	100.0

Note:

1. The Group has a single business segment which is electronic components, and the categories described above are not reportable business segments.
2. Starting from the fiscal year ended March 31, 2022, the name for the “ferrite and applied products” classification has been changed to “inductors.” The change has no impact on sales results by product classification.