

Consolidated Financial Results

Second quarter of the year ending March 31, 2021

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November 9, 2020

2Q of the Year Ending March 2021

- There was sales and profit growth with net sales up 32% Q/Q at 79.7 billion yen, and operating income up 41% Q/Q at 11.2 billion yen.
- Sales and operating income both significantly outperformed the forecasts made in August due to such factors as growth in demand for products used in smartphones and a greater-than-expected recovery in automobile production.
- Sales recorded an all-time high on a quarterly basis.

Earnings Forecast for the Year Ending March 2021

- The full-year financial results forecasts published in August have been revised upward.
- Net sales are projected to increase 1% Y/Y to 284.0 billion yen, and operating income is projected to decrease 9%Y/Y to 34.0 billion yen

Impact of COVID-19

The impact on TAIYO YUDEN's business activities has practically disappeared (as of November 9)

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.

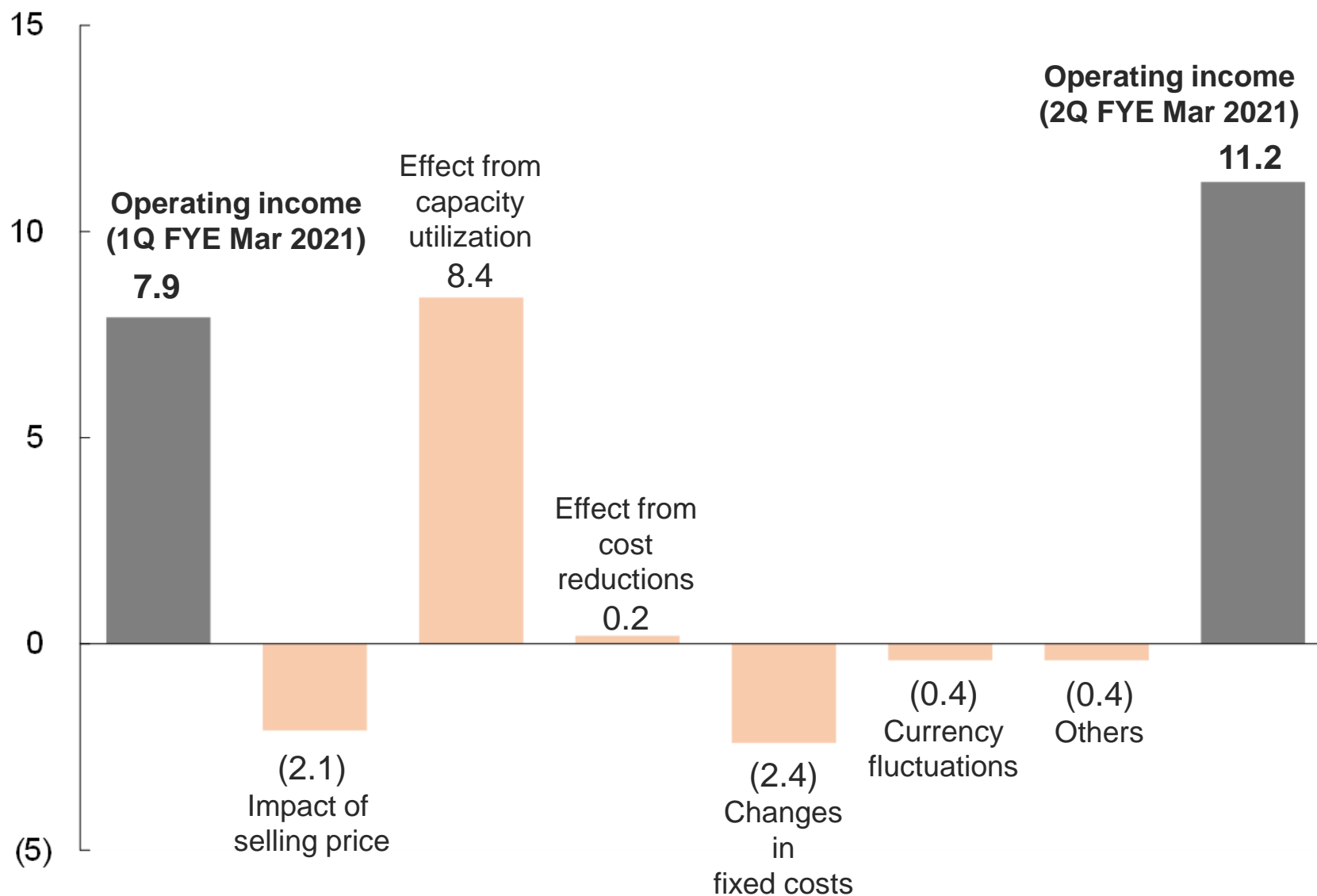
Country	Company	Main production items	Operation status		
			As of May 12	As of Aug 7	As of Nov 9
Philippines	TAIYO YUDEN (PHILIPPINES)	Inductors	Operating (with constraints)	Operating as normal (from June)	Operating as normal
Malaysia	TAIYO YUDEN (SARAWAK)	Multilayer ceramic capacitors	Operating (with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

2Q - Consolidated Financial Results (Q/Q)

¥ in million	FYE Mar 31, 2021 1Q (01 Apr 2020 – 30 Jun 2020)		FYE Mar 31, 2021 2Q (01 Jul 2020 – 30 Sep 2020)		Change Q/Q	
Net sales	60,493	100.0%	79,728	100.0%	19,235	31.8%
Operating income	7,923	13.1%	11,203	14.1%	3,280	41.4%
Ordinary income	7,371	12.2%	10,812	13.6%	3,440	46.7%
Net income attributable to owners of parent company	4,541	7.5%	6,900	8.7%	2,358	51.9%
Yen to USD average exchange rate	107.61 yen		106.82 yen		0.79 yen appreciated	
Impact of exchange rate fluctuation	(0.3) billion yen on net sales, (0.4) billion yen on operating income * Including the impact of currencies other than US dollars					
R&D expenses	2,988		3,219		230	7.7%
Capital investment	17,886		10,112		(7,774)	(43.5)%
Depreciation expenses	6,599		7,277		677	10.3%

2Q - Factors behind Operating Income (Q/Q)

(¥ in billion)



2Q - Financial Results by Product Classification (Q/Q)

¥ in million	FYE Mar 31, 2021 1Q		FYE Mar 31, 2021 2Q		Change Q/Q	
Capacitors	40,075	66.2%	52,596	66.0%	12,520	31.2%
Ferrite and applied products	7,928	13.1%	10,903	13.7%	2,974	37.5%
Integrated modules & devices	9,075	15.0%	12,330	15.5%	3,254	35.9%
Others	3,413	5.6%	3,899	4.9%	485	14.2%
Total net sales	60,493	100.0%	79,728	100.0%	19,235	31.8%

2Q - Financial Results by Product Classification (Q/Q)

(¥ in billion)



Capacitors (+31.2% Q/Q)

Sales increased for all equipment applications including use in consumer products such as games, information equipment such as notebook PCs and tablets, and communication equipment such as smartphones. Demand for products for use in automobiles also recovered.

Ferrite and applied products (+37.5% Q/Q)

Sales increased for all equipment applications including use in consumer products, information equipment, and automobiles.

Integrated modules & devices (+35.9% Q/Q)

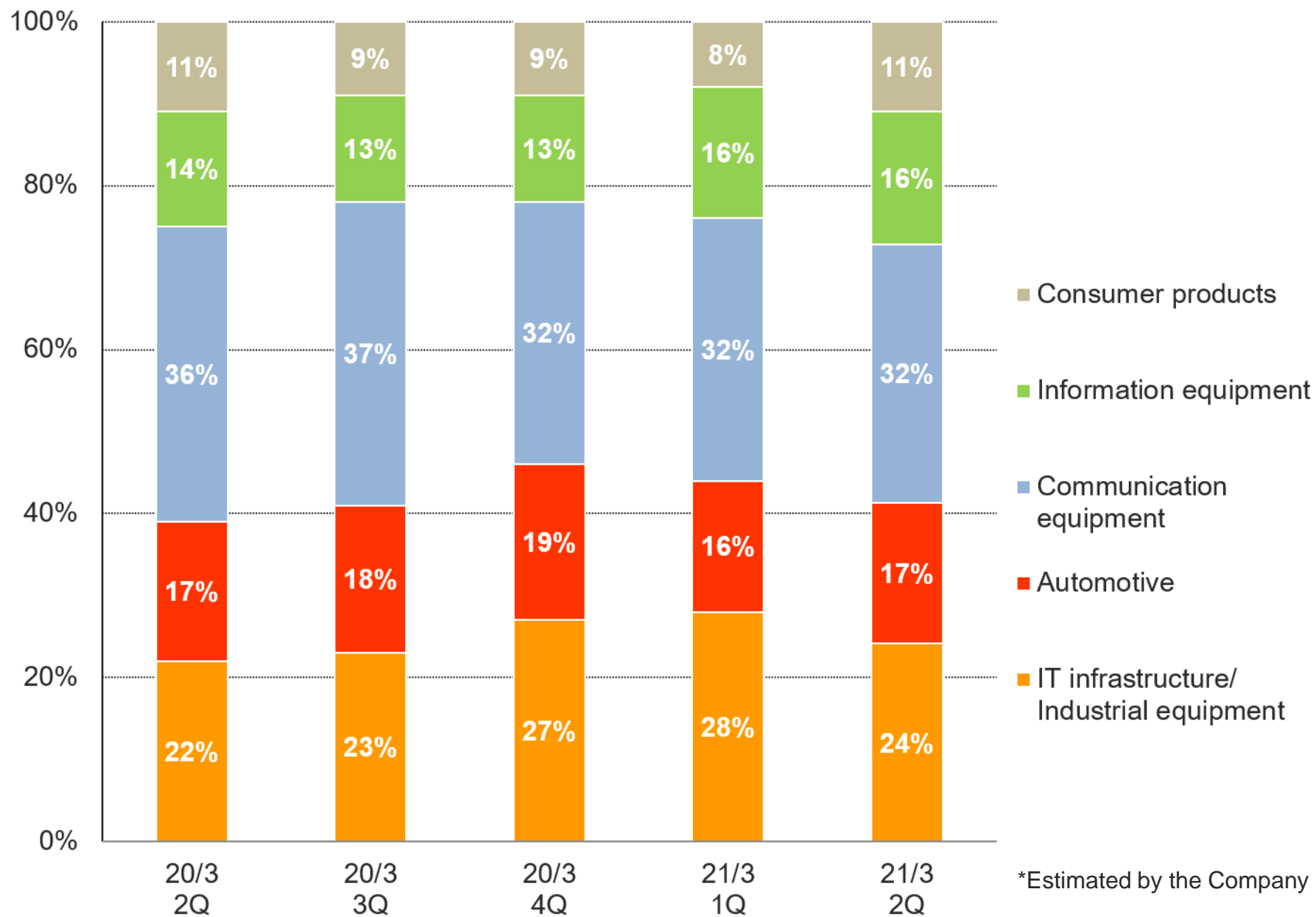
Sales of communication devices (FBAR/SAW) increased due to demand growth for products for use in Chinese smartphones. Sales of various modules also increased.

Others (+14.2% 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

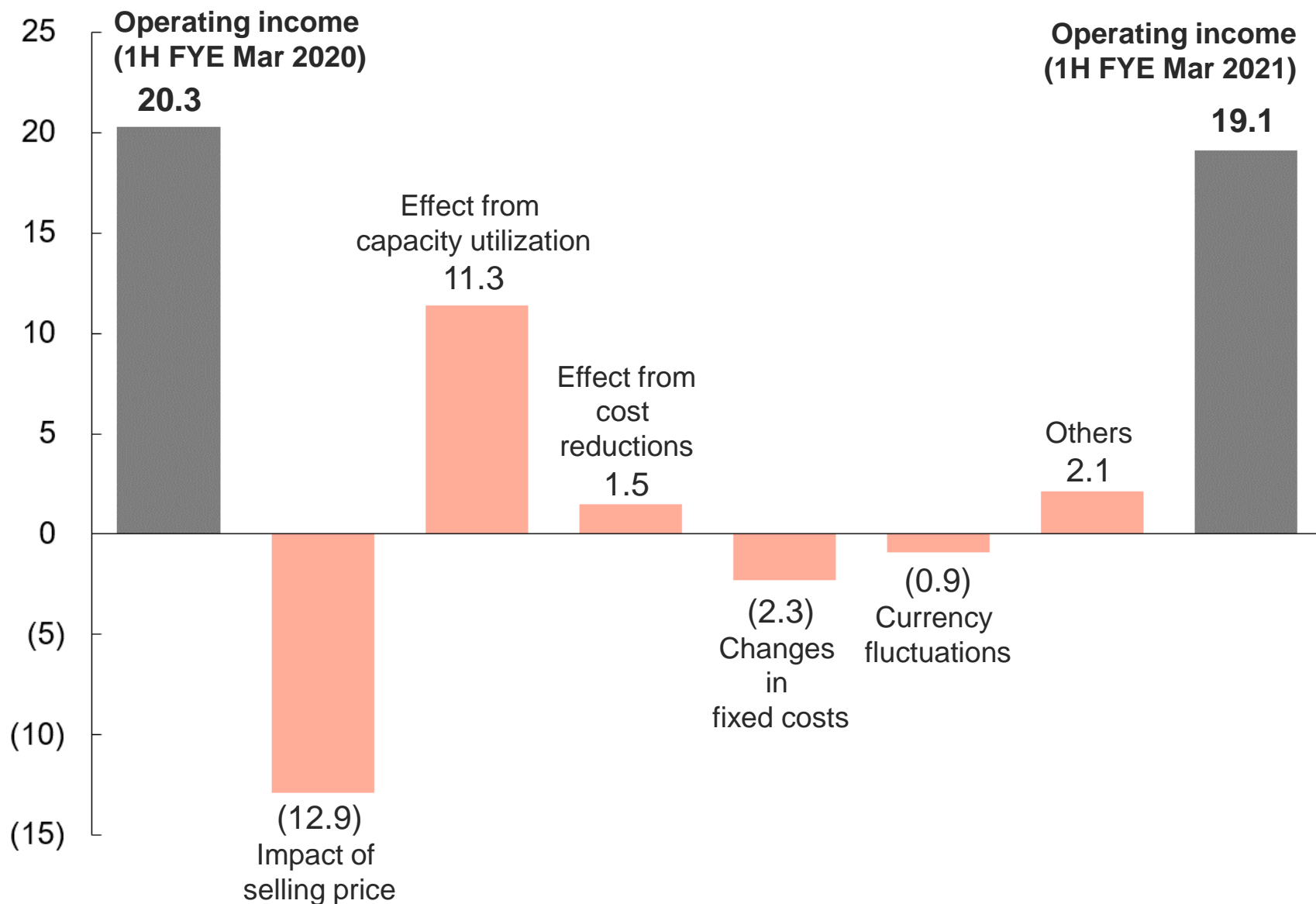


1H – Consolidated Financial Results (Y/Y)

¥ in million	FYE Mar 31, 2020 1H (01 Apr 2019 – 30 Sep 2019)		FYE Mar 31, 2021 1H (01 Apr 2020 – 30 Sep 2020)		Change Y/Y	
Net sales	141,908	100.0%	140,222	100.0%	(1,685)	(1.2)%
Operating income	20,298	14.3%	19,126	13.6%	(1,171)	(5.8)%
Ordinary income	19,176	13.5%	18,183	13.0%	(992)	(5.2)%
Net income attributable to owners of parent company	15,332	10.8%	11,442	8.2%	(3,890)	(25.4)%
Yen to USD average exchange rate	109.26 yen		107.22 yen		2.04 yen appreciated	
Impact of exchange rate fluctuation	(2.3) billion yen on net sales, (0.9) billion yen on operating income * Including the impact of currencies other than US dollars					
R&D expenses	6,425		6,207		(217)	(3.4)%
Capital investment	17,350		27,998		10,648	61.4%
Depreciation expenses	12,898		13,877		978	7.6%

1H – Factors behind Operating Income (Y/Y)

(¥in billion)



1H – Financial Results by Product Classification (Y/Y)

¥ in million	FYE Mar 31, 2020 1H		FYE Mar 31, 2021 1H		Change Y/Y	
Capacitors	87,812	61.9%	92,672	66.1%	4,860	5.5%
Ferrite and applied products	19,376	13.7%	18,831	13.4%	(544)	(2.8)%
Integrated modules & devices	25,960	18.3%	21,406	15.3%	(4,554)	(17.5)%
Others	8,759	6.2%	7,312	5.2%	(1,446)	(16.5)%
Total net sales	141,908	100.0%	140,222	100.0%	(1,685)	(1.2)%

Financial Results by Product Classification (Y/Y)

(¥ in billion)



Capacitors

(+5.5% Y/Y)

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

Ferrite and applied products

((2.8)% Y/Y)

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

Integrated modules & devices

((17.5)% Y/Y)

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

Others

((16.5)% Y/Y)

Capacitors

Ferrite and applied products

Integrated modules & devices

Others

Forecast of Consolidated Performance

for the year ending March 31, 2021

Full-Year Forecast (compared to the previous forecast)

¥ in million	FYE Mar 31, 2021 Forecast as of Aug 7			FYE Mar 31, 2021 Forecast as of Nov 9		
	1H	2H	Full year	1H Actual results	2H	Full year
Net sales	130,000	135,000	265,000	140,222	143,778	284,000
Operating income	15,000	12,000	27,000	19,126	14,874	34,000
Ordinary income	14,000	12,000	26,000	18,183	14,817	33,000
Net income attributable to owners of parent company	8,500	8,500	17,000	11,442	10,558	22,000
Yen to USD average exchange rate	107.31 yen	107.00 yen	107.15 yen	107.22 yen	105.00 yen	106.11 yen
R&D expenses	—	—	13,000	6,207	6,793	13,000
Capital investment	—	—	50,000	27,998	22,002	50,000
Depreciation expenses	—	—	30,000	13,877	16,123	30,000

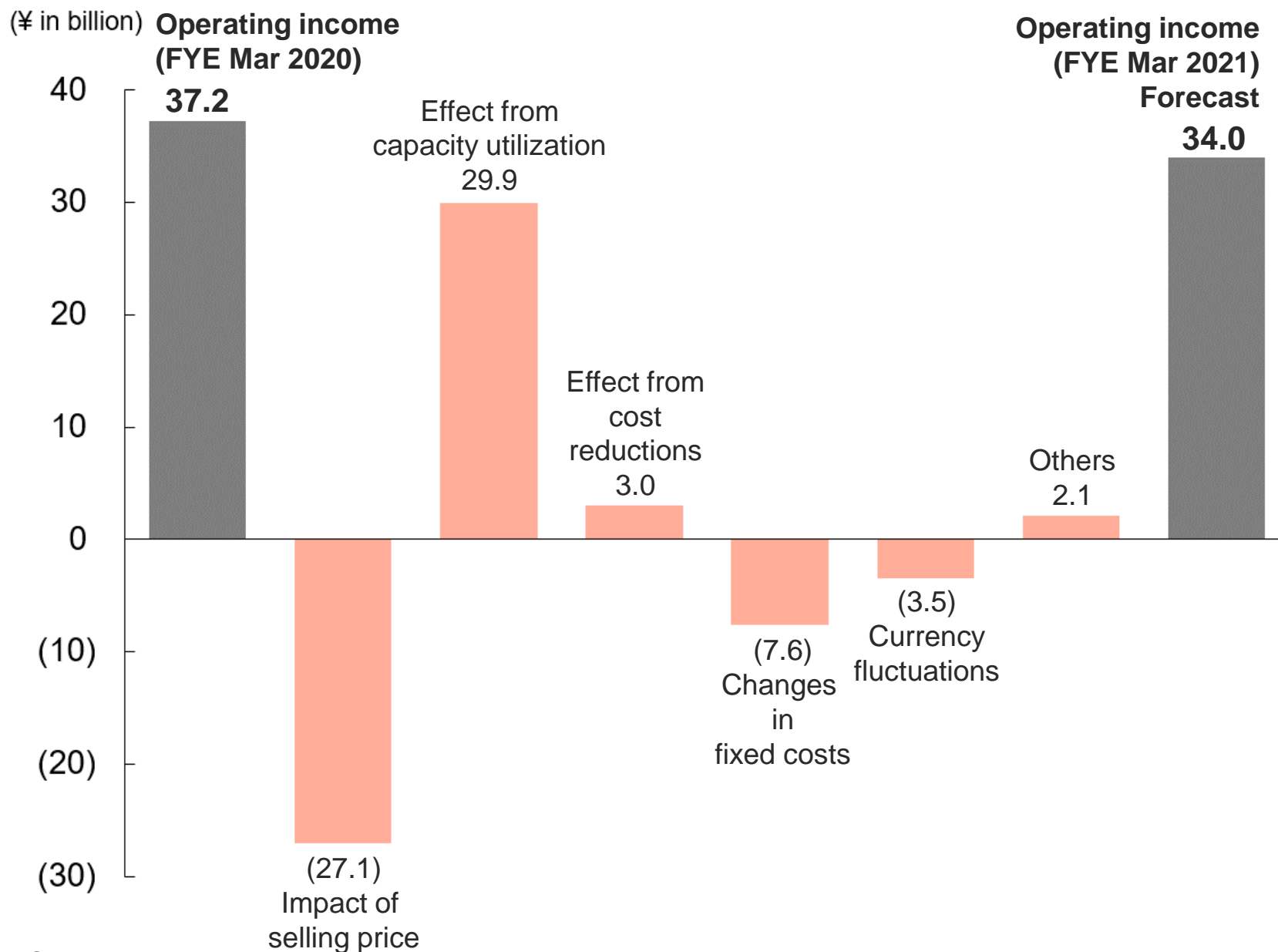
- The financial results forecasts published in August have been revised upward.

Full-Year Forecast (Y/Y)

¥ in million	FYE Mar 31, 2020		FYE Mar 31, 2021 Forecast as of Nov 9		Change Y/Y	
Net sales	282,329	100.0%	284,000	100.0%	1,671	0.6%
Operating income	37,176	13.2%	34,000	12.0%	(3,176)	(8.5)%
Ordinary income	35,165	12.5%	33,000	11.6%	(2,165)	(6.2)%
Net income attributable to owners of parent company	18,022	6.4%	22,000	7.7%	3,978	22.1%
Yen to USD average exchange rate	109.06 yen		106.11 yen		2.95 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 August have been revised upward.

Factors behind Operating Income in FYE March 2021



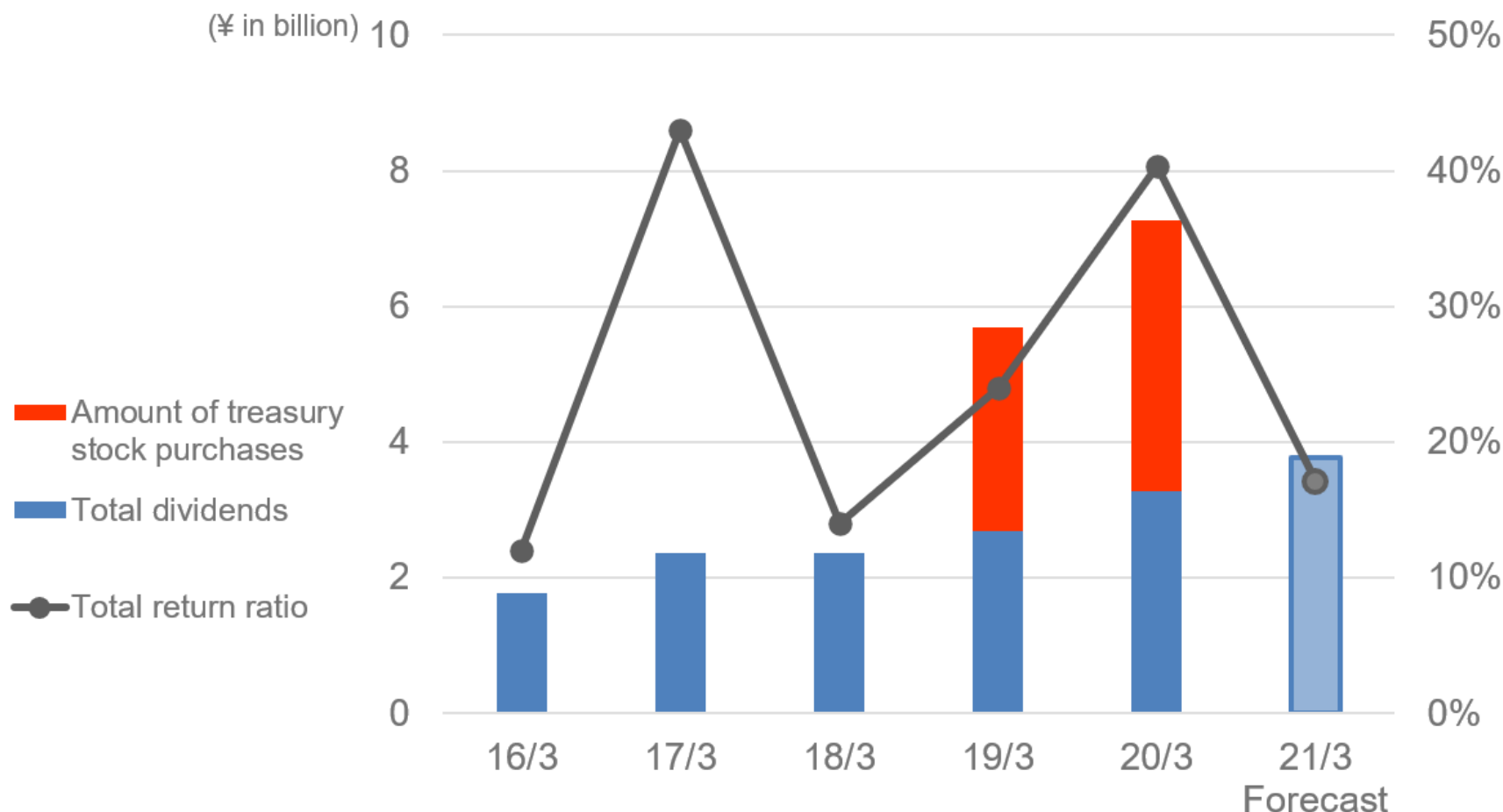
Full-Year Forecast by Product Classification (compared to the previous forecast)

¥ in million	FYE Mar 31, 2021 Forecast as of Aug 7			FYE Mar 31, 2021 Forecast as of Nov 9		
	1H	2H	Full year	1H Actual results	2H	Full year
Capacitors	87,500	91,500	179,000	92,672	95,828	188,500
Ferrite and applied products	17,500	19,000	36,500	18,831	19,169	38,000
Integrated modules & devices	18,000	17,500	35,500	21,406	21,094	42,500
Others	7,000	7,000	14,000	7,312	7,688	15,000
Total net sales	130,000	135,000	265,000	140,222	143,778	284,000

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

¥ in million	FYE Mar 31, 2020		FYE Mar 31, 2021 Forecast as of Nov 9		Change Y/Y	
Capacitors	176,457	62.5%	188,500	66.4%	12,043	6.8%
Ferrite and applied products	38,770	13.7%	38,000	13.4%	(770)	(2.0)%
Integrated modules & devices	49,808	17.6%	42,500	15.0%	(7,308)	(14.7)%
Others	17,292	6.1%	15,000	5.3%	(2,292)	(13.3)%
Total net sales	282,329	100.0%	284,000	100.0%	1,671	0.6%

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	175.27

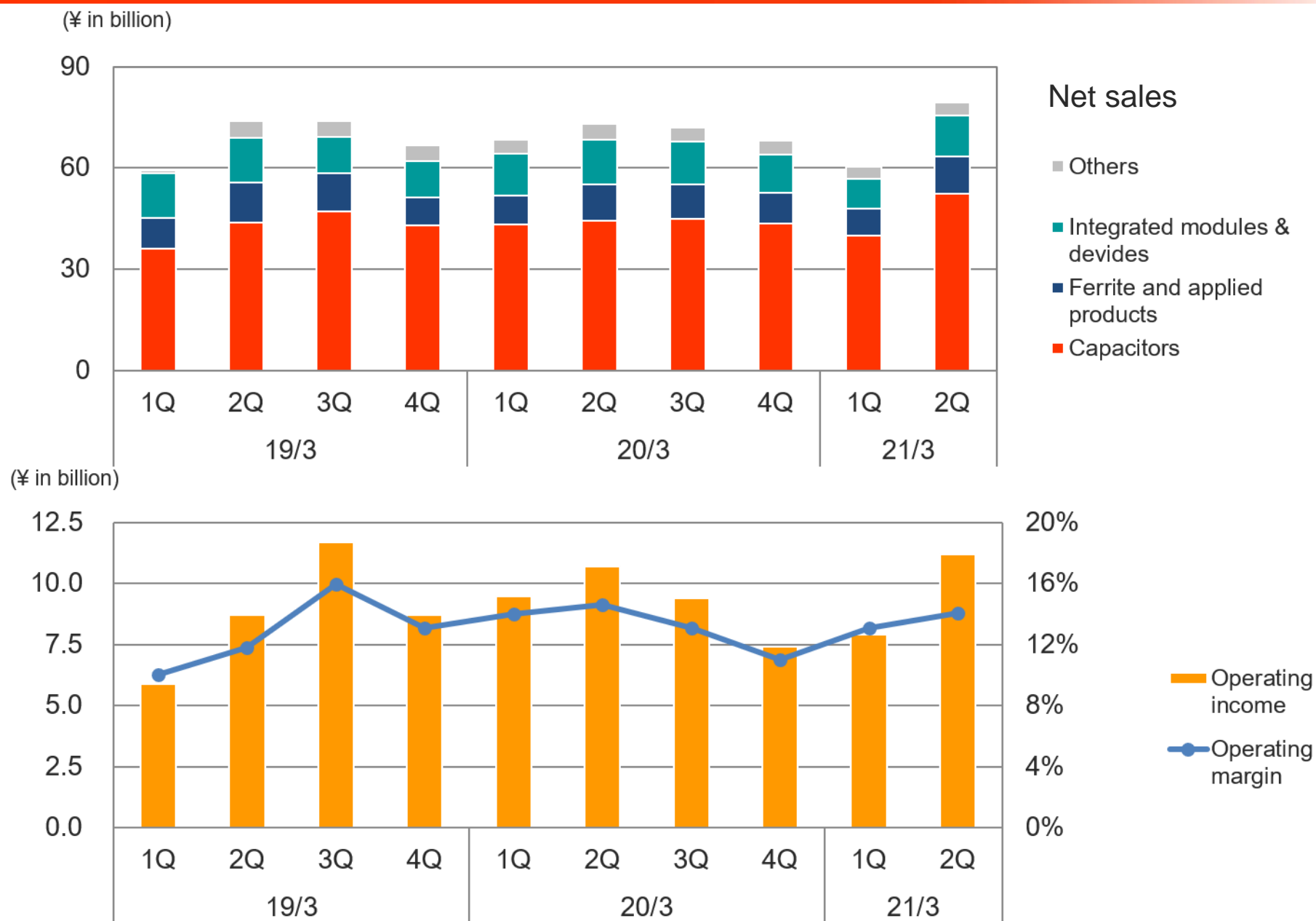
Aim to achieve a stable total return ratio of 30%

Supplementary Information

Consolidated Earnings Trends (Quarterly)

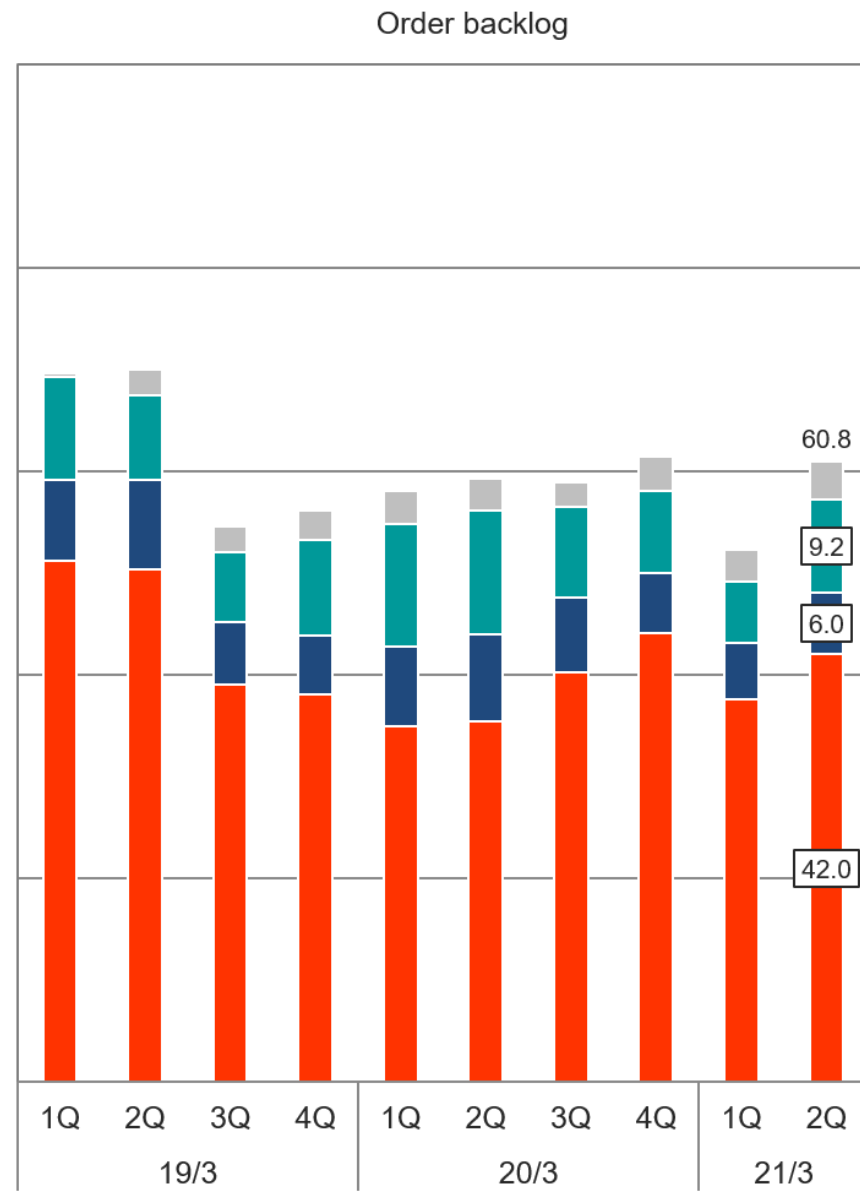
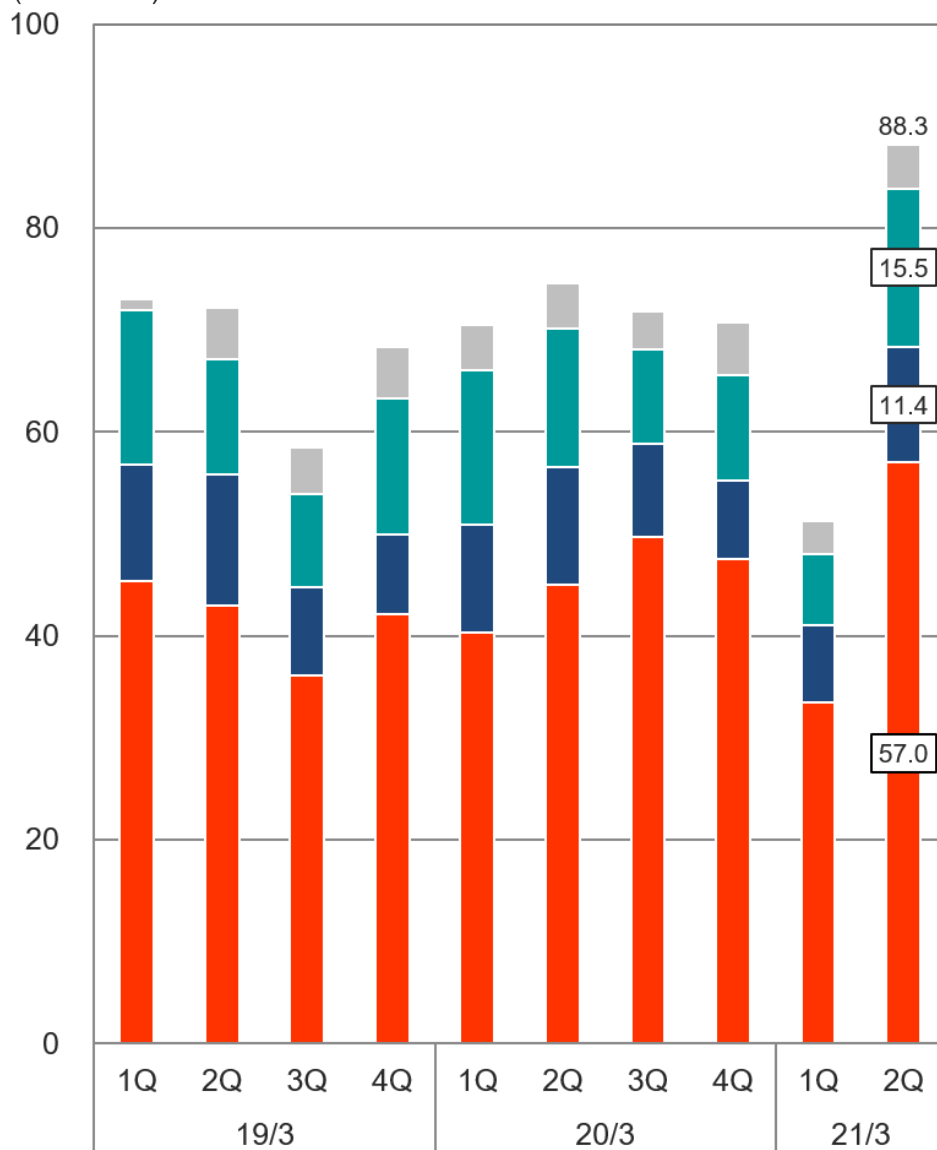
¥ in million	FYE Mar 31, 2019				FYE Mar 31, 2020				FYE Mar 31, 2021	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Net sales	59,576	73,989	73,963	66,820	68,635	73,272	72,187	68,233	60,493	79,728
Capacitors	36,184	43,984	47,362	43,101	43,338	44,473	44,907	43,738	40,075	52,596
Ferrite and applied products	9,228	11,926	11,209	8,231	8,633	10,742	10,303	9,090	7,928	10,903
Integrated modules & devices	13,208	13,160	10,783	10,778	12,523	13,436	12,621	11,226	9,075	12,330
Others	954	4,918	4,607	4,708	4,139	4,620	4,354	4,178	3,413	3,899
Operating income	5,981	8,722	11,789	8,744	9,595	10,703	9,446	7,431	7,923	11,203
Ordinary income	6,896	8,489	11,403	7,562	8,846	10,330	9,152	6,835	7,371	10,812
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
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

Consolidated Earnings Trends (Quarterly)



Orders Received and Order Backlog Trends (Quarterly)

(¥ in billion)



■ 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.

TAIYO YUDEN