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August 3, 2023

## Consolidated Financial Results for the Three Months Ended June 30, 2023 (Under Japanese GAAP)

Company name: TAIYO YUDEN CO., LTD.  
 Listing: Tokyo Stock Exchange  
 Securities code: 6976  
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 Scheduled date to file quarterly securities report: August 9, 2023  
 Scheduled date to commence dividend payments: -  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: Yes (for institutional investors and investment analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2023	72,612	(11.2)	(577)	-	1,159	(93.3)	903	(92.6)
June 30, 2022	81,740	(2.5)	13,142	(13.2)	17,204	13.4	12,236	(5.6)

Note: Comprehensive income For the three months ended June 30, 2023: ¥9,018 million [(60.7)%]  
 For the three months ended June 30, 2022: ¥22,960 million [63.9%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
June 30, 2023	7.25	7.22
June 30, 2022	98.20	97.92

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
June 30, 2023	551,810	321,910	58.2	2,575.52
March 31, 2023	503,462	318,478	63.1	2,548.15

Reference: Equity  
 As of June 30, 2023: ¥320,930 million  
 As of March 31, 2023: ¥317,520 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	45.00	-	45.00	90.00
Fiscal year ending March 31, 2024	-				
Fiscal year ending March 31, 2024 (Forecast)		45.00	-	45.00	90.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Forecasts of operating results for the period from April 1, 2023 to March 31, 2024

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2024	322,000	0.8	15,000	(53.1)	14,000	(59.8)	8,000	(65.5)	64.20

Note: Revisions to the forecast of operating results most recently announced: None

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: -

Excluded: -

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2023	130,218,481 shares
As of March 31, 2023	130,218,481 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2023	5,610,371 shares
As of March 31, 2023	5,610,298 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	124,608,140 shares
Three months ended June 30, 2022	124,608,785 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* 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.

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

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## 1. Qualitative Information Concerning Financial Statements and Other

### (1) Consolidated Operating Results

During the three-month period ended June 30, 2023 (April 1, 2023 to June 30, 2023), the business conditions surrounding the TAIYO YUDEN Group (“the Group”) experienced a trend of moderate recovery although the uncertainty in the global economy continued. As for the future, although the moderate recovery is expected to continue, it will be necessary to monitor the international situation, as well as fluctuations in financial and capital markets and trends in the demand environment amid global monetary tightening.

Under the medium-term management plan 2025, the Group is aiming to increase the proportion of sales in focus markets, primarily automotive and IT infrastructure/industrial equipment, to 50%. 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.

Consolidated net sales for the three-month period ended June 30, 2023 totaled ¥72,612 million, which is a decrease of 11.2% compared to the corresponding period of the previous fiscal year. Operating loss was ¥577 million compared to operating profit of ¥13,142 million in the same period of the previous fiscal year. Ordinary profit was ¥1,159 million, a decrease of 93.3%, and profit attributable to owners of parent was ¥903 million, a decrease of 92.6%. Net sales as well as operating profit, ordinary profit, and profit attributable to owners of parent declined due to a decrease in production volume and inventory adjustments, primarily in the information equipment and IT infrastructure/industrial equipment.

The average foreign currency exchange rate for the three-month period ended June 30, 2023 was US\$1: ¥134.93. This is a depreciation of ¥10.48 as compared to the average realized in the corresponding period of the previous fiscal year of US\$1: ¥124.45.

### Net Sales by Product Classification

#### [Capacitors]

The capacitor product classification is comprised of multilayer ceramic capacitors.

While product sales for use in communication equipment and automobiles increased year over year, sales for use in consumer products, information equipment, and IT infrastructure/industrial equipment declined. As a result, net sales for the three-month period ended June 30, 2023 totaled ¥47,133 million, a decrease of 13.6% compared to the corresponding period the previous fiscal year.

#### [Inductors]

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

In the three-month period ended June 30, 2023, product sales for use in information equipment, communication equipment, and automobiles were higher as compared to the corresponding period of the previous fiscal year while sales for use in consumer products and IT infrastructure/industrial equipment were lower. As a result, net sales for the three-month period ended June 30, 2023 totaled ¥10,976 million, which is a decrease of 6.6% compared to the corresponding period of the previous fiscal year.

#### [Integrated Modules & Devices]

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

For the three-month period ended June 30, 2023, sales of FBAR/SAW devices for mobile communications increased year over year, but sales of circuit modules decreased. This resulted in a 10.7% decrease in sales for this product classification year over year to ¥8,182 million.

#### [Others]

For this product classification, the Group manufactures and sells aluminum electrolytic capacitors, etc.

For the three-month period ended June 30, 2023, sales of aluminum electrolytic capacitors, mainly for use in automobiles, increased year over year. This resulted in a 1.1% increase in sales for this product classification year over year to ¥6,320 million.

## (2) Consolidated Financial Conditions

Total assets as of June 30, 2023 increased ¥48,347 million to ¥551,810 million compared with the end of the previous fiscal year. Current assets increased ¥30,501 million. This increase in current assets was mainly due to the increase in cash and deposits of ¥26,310 million, notes and accounts receivable - trade of ¥1,763 million. Non-current assets increased ¥17,845 million owing to the upswing in property, plant and equipment of ¥19,617 million.

Total liabilities as of June 30, 2023 were ¥229,900 million, an increase of ¥44,915 million as compared to the balance at March 31, 2023. This was mainly due to the increase in long-term borrowings of ¥33,450 million and notes and accounts payable - trade of ¥2,550 million.

Net assets as of June 30, 2023 increased ¥3,431 million. The main factors were a decrease in retained earnings of ¥4,704 million due to profit attributable to owners of parent of ¥903 million and dividends of surplus of ¥5,607 million, in addition to an increase of ¥8,139 million in foreign currency translation adjustment due to the impact of exchange rates, including the depreciation in the value of the yen.

## (3) Forecasts of Consolidated Operating Results

There is no change in the forecasts of consolidated operating results for the fiscal year ending March 31, 2024 that was previously announced on May 9, 2023.

In the fiscal year ending March 31, 2024, we anticipate that net sales will increase with rising demand for electronic components due to increasing use of electronics and electric motors in automobiles and other factors. However, each stage of profit is expected to decrease as a result of such factors as cost increases because of higher commodity prices and aggressive investment to meet rising demand in the future. As for the future, it will be necessary to monitor the fluctuations in financial and capital markets and trends in the global demand environment amid global monetary tightening.

The forecast is based on an average foreign currency exchange rate of US\$1: ¥130.

### \*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.

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	87,197	113,508
Notes and accounts receivable - trade	70,372	72,136
Merchandise and finished goods	34,695	34,887
Work in process	46,885	47,702
Raw materials and supplies	23,234	23,882
Other	12,269	13,028
Allowance for doubtful accounts	(258)	(247)
Total current assets	274,396	304,898
Non-current assets		
Property, plant and equipment		
Buildings and structures	129,144	149,576
Machinery, equipment and vehicles	363,035	373,578
Tools, furniture and fixtures	37,483	39,168
Land	15,858	15,991
Construction in progress	47,571	46,962
Accumulated depreciation	(372,502)	(385,068)
Total property, plant and equipment	220,590	240,207
Intangible assets		
Other	1,663	1,691
Total intangible assets	1,663	1,691
Investments and other assets		
Investment securities	1,447	1,519
Other	5,458	3,592
Allowance for doubtful accounts	(92)	(98)
Total investments and other assets	6,812	5,013
Total non-current assets	229,066	246,911
Total assets	503,462	551,810

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	23,012	25,563
Short-term borrowings	30,200	30,200
Current portion of long-term borrowings	17,958	18,958
Income taxes payable	1,550	1,896
Provision for bonuses	4,205	2,374
Provision for bonuses for directors (and other officers)	60	6
Other	35,152	45,845
Total current liabilities	112,140	124,845
Non-current liabilities		
Long-term borrowings	50,777	84,227
Provision for retirement benefits for directors (and other officers)	39	42
Retirement benefit liability	5,666	6,180
Other	16,359	14,604
Total non-current liabilities	72,843	105,055
Total liabilities	184,984	229,900
Net assets		
Shareholders' equity		
Share capital	33,575	33,575
Capital surplus	49,908	49,908
Retained earnings	233,802	229,098
Treasury shares	(13,457)	(13,457)
Total shareholders' equity	303,829	299,124
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	631	654
Deferred gains or losses on hedges	(0)	(70)
Foreign currency translation adjustment	13,086	21,225
Remeasurements of defined benefit plans	(26)	(3)
Total accumulated other comprehensive income	13,690	21,806
Share acquisition rights	958	979
Total net assets	318,478	321,910
Total liabilities and net assets	503,462	551,810

(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income  
(Consolidated Statements of Operations)  
(Three months ended June 30, 2023)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	81,740	72,612
Cost of sales	54,716	59,853
Gross profit	27,023	12,759
Selling, general and administrative expenses	13,880	13,337
Operating profit (loss)	13,142	(577)
Non-operating income		
Interest income	72	291
Dividend income	0	0
Foreign exchange gains	3,966	1,870
Subsidy income	62	308
Other	95	139
Total non-operating income	4,197	2,610
Non-operating expenses		
Interest expenses	103	136
Depreciation of inactive non-current assets	6	19
Compensation expenses	0	706
Other	25	10
Total non-operating expenses	135	873
Ordinary profit	17,204	1,159
Extraordinary income		
Gain on sale of non-current assets	4	17
Gain on sale of investment securities	-	164
Total extraordinary income	4	181
Extraordinary losses		
Loss on sale and retirement of non-current assets	199	88
Other	4	1
Total extraordinary losses	204	89
Profit before income taxes	17,004	1,251
Income taxes - current	4,281	1,152
Income taxes - deferred	485	(804)
Total income taxes	4,767	348
Profit	12,236	903
Profit attributable to owners of parent	12,236	903

(Consolidated Statements of Comprehensive Income)

(Three months ended June 30, 2023)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	12,236	903
Other comprehensive income		
Valuation difference on available-for-sale securities	(103)	23
Deferred gains or losses on hedges	101	(70)
Foreign currency translation adjustment	10,699	8,139
Remeasurements of defined benefit plans, net of tax	25	22
Total other comprehensive income	10,723	8,115
Comprehensive income	22,960	9,018
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	22,960	9,018

(3) Notes on Consolidated Financial Statements

(Notes on Premise of Going Concern)

No relevant items to report.

(Notes in Case of Significant Changes to Shareholders' Equity)

No relevant items to report.

3. Supplementary Information

(1) Net Sales by Product Classification

Product classification	Three months ended June 30, 2022 (From April 1, 2022 To June 30, 2022)		Three months ended June 30, 2023 (From April 1, 2023 To June 30, 2023)		Increase/ (Decrease)	
	Amount (¥ in million)	Share (%)	Amount (¥ in million)	Share (%)	Amount (¥ in million)	Share (%)
Capacitors	54,583	66.8	47,133	64.9	(7,449)	(13.6)
Inductors	11,748	14.4	10,976	15.1	(772)	(6.6)
Integrated modules & devices	9,159	11.2	8,182	11.3	(976)	(10.7)
Others	6,248	7.6	6,320	8.7	71	1.1
Total	81,740	100.0	72,612	100.0	(9,127)	(11.2)