

Consolidated Financial Statements

Consolidated Balance Sheet

TAIYO YUDEN CO., LTD. and Subsidiaries

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	56,430	59,622
Notes and accounts receivable - trade	*2 62,745	*2 64,680
Merchandise and finished goods	21,065	18,134
Work in process	25,907	28,829
Raw materials and supplies	13,974	15,624
Other	5,972	5,220
Allowance for doubtful accounts	(238)	(182)
Total current assets	185,858	191,930
Non-current assets		
Property, plant and equipment		
Buildings and structures	94,768	97,082
Machinery, equipment and vehicles	263,270	278,081
Tools, furniture and fixtures	26,089	27,578
Land	11,022	12,661
Construction in progress	10,468	18,307
Accumulated depreciation	(280,102)	(289,311)
Total property, plant and equipment	125,517	144,400
Intangible assets		
Goodwill	5,837	—
Other	1,219	1,293
Total intangible assets	7,056	1,293
Investments and other assets		
Investment securities	*1 4,760	*1 2,671
Retirement benefit asset	16	19
Deferred tax assets	3,864	1,314
Other	2,119	1,819
Allowance for doubtful accounts	(332)	(326)
Total investments and other assets	10,428	5,498
Total non-current assets	143,003	151,192
Total assets	328,861	343,122

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,031	26,603
Short-term borrowings	23,152	19,250
Current portion of long-term borrowings	2,477	2,663
Accounts payable - other	13,405	16,813
Income taxes payable	5,085	1,903
Provision for bonuses	4,167	4,576
Provision for bonuses for directors (and other officers)	258	233
Other	8,420	12,290
Total current liabilities	81,997	84,333
Non-current liabilities		
Long-term borrowings	28,415	34,752
Deferred tax liabilities	4,771	3,397
Provision for retirement benefits for directors (and other officers)	132	49
Retirement benefit liability	3,742	4,200
Other	3,847	5,934
Total non-current liabilities	40,910	48,334
Total liabilities	122,907	132,667
Net assets		
Shareholders' equity		
Share capital	33,575	33,575
Capital surplus	49,904	49,903
Retained earnings	135,217	150,263
Treasury shares	(4,613)	(8,596)
Total shareholders' equity	214,083	225,146
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,519	430
Deferred gains or losses on hedges	2	(82)
Foreign currency translation adjustment	(9,703)	(14,779)
Remeasurements of defined benefit plans	(401)	(824)
Total accumulated other comprehensive income	(8,583)	(15,255)
Share acquisition rights	453	563
Total net assets	205,953	210,454
Total liabilities and net assets	328,861	343,122

Consolidated Financial Statements

Consolidated Statement of Income

TAIYO YUDEN CO., LTD. and Subsidiaries

	(Millions of yen)			
	Fiscal year ended March 31, 2019		Fiscal year ended March 31, 2020	
Net sales		274,349		282,329
Cost of sales	*1	192,084	*1	196,979
Gross profit		82,264		85,350
Selling, general and administrative expenses	*2, *3	47,026	*2, *3	48,173
Operating profit		35,237		37,176
Non-operating income				
Interest income		382		335
Dividend income		142		146
Foreign exchange gains		190		—
Subsidy income		451		245
Other		329		244
Total non-operating income		1,496		972
Non-operating expenses				
Interest expenses		349		375
Share of loss of entities accounted for using equity method		786		787
Foreign exchange losses		—		1,404
Share issuance costs		144		—
Depreciation of inactive non-current assets		194		219
Loss from suspended operation		655		—
Other		252		197
Total non-operating expenses		2,382		2,983
Ordinary profit		34,351		35,165
Extraordinary income				
Gain on sales of non-current assets	*4	16	*4	148
Gain on sales of investment securities		1,535		16
Gain on step acquisitions		249		—
Insurance claim income		—	*8	1,351
Other		24		—
Total extraordinary income		1,825		1,516
Extraordinary losses				
Loss on sales and retirement of non-current assets	*5	494	*5	764
Impairment loss	*6	4,614	*6	5,290
Loss on valuation of investment securities		52		17
Business restructuring expenses	*7	2,235		—
Loss on disaster		—	*8	3,168
Loss related to anti-monopoly act	*9	579	*9	3,600
Other		88		22
Total extraordinary losses		8,066		12,863
Profit before income taxes		28,110		23,818
Income taxes - current		5,983		4,637
Income taxes - deferred		(1,560)		1,158
Total income taxes		4,422		5,795
Profit		23,687		18,022
Profit attributable to owners of parent		23,687		18,022

Consolidated Statement of Comprehensive Income

TAIYO YUDEN CO., LTD. and Subsidiaries

	(Millions of yen)			
	Fiscal year ended March 31, 2019		Fiscal year ended March 31, 2020	
Profit		23,687		18,022
Other comprehensive income				
Valuation difference on available-for-sale securities		(1,377)		(1,088)
Deferred gains or losses on hedges		17		(84)
Foreign currency translation adjustment		(674)		(5,075)
Remeasurements of defined benefit plans, net of tax		(568)		(423)
Total other comprehensive income	*	(2,602)	*	(6,671)
Comprehensive income		21,084		11,350
Comprehensive income attributable to:				
Comprehensive income attributable to owners of parent		21,084		11,350

Consolidated Financial Statements

Consolidated Statement of Changes in Equity

TAIYO YUDEN CO., LTD. and Subsidiaries

Fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	23,557	41,518	113,984	(3,302)	175,756
Cumulative effects of changes in accounting policies					—
Restated balance	23,557	41,518	113,984	(3,302)	175,756
Changes during period					
Conversion of convertible bond-type bonds with share acquisition rights	10,017	10,017			20,035
Dividends of surplus			(2,454)		(2,454)
Profit attributable to owners of parent			23,687		23,687
Purchase of treasury shares				(3,001)	(3,001)
Disposal of treasury shares		(0)		59	59
Change by share exchanges		(1,631)		1,631	—
Change in ownership interest of parent due to transactions with non-controlling interests		(0)			(0)
Net changes in items other than shareholders' equity					
Total changes during period	10,017	8,386	21,233	(1,310)	38,326
Balance at end of period	33,575	49,904	135,217	(4,613)	214,083

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,896	(15)	(9,028)	167	(5,980)	342	170,118
Cumulative effects of changes in accounting policies							—
Restated balance	2,896	(15)	(9,028)	167	(5,980)	342	170,118
Changes during period							
Conversion of convertible bond-type bonds with share acquisition rights							20,035
Dividends of surplus							(2,454)
Profit attributable to owners of parent							23,687
Purchase of treasury shares							(3,001)
Disposal of treasury shares							59
Change by share exchanges							—
Change in ownership interest of parent due to transactions with non-controlling interests							(0)
Net changes in items other than shareholders' equity	(1,377)	17	(674)	(568)	(2,602)	111	(2,491)
Total changes during period	(1,377)	17	(674)	(568)	(2,602)	111	35,835
Balance at end of period	1,519	2	(9,703)	(401)	(8,583)	453	205,953

Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	33,575	49,904	135,217	(4,613)	214,083
Cumulative effects of changes in accounting policies			(192)		(192)
Restated balance	33,575	49,904	135,025	(4,613)	213,891
Changes during period					
Dividends of surplus			(2,784)		(2,784)
Profit attributable to owners of parent			18,022		18,022
Purchase of treasury shares				(4,006)	(4,006)
Disposal of treasury shares		(0)		23	23
Net changes in items other than shareholders' equity					
Total changes during period	—	(0)	15,238	(3,982)	11,254
Balance at end of period	33,575	49,903	150,263	(8,596)	225,146

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,519	2	(9,703)	(401)	(8,583)	453	205,953
Cumulative effects of changes in accounting policies							(192)
Restated balance	1,519	2	(9,703)	(401)	(8,583)	453	205,761
Changes during period							
Dividends of surplus							(2,784)
Profit attributable to owners of parent							18,022
Purchase of treasury shares							(4,006)
Disposal of treasury shares							23
Net changes in items other than shareholders' equity	(1,088)	(84)	(5,075)	(423)	(6,671)	110	(6,561)
Total changes during period	(1,088)	(84)	(5,075)	(423)	(6,671)	110	4,693
Balance at end of period	430	(82)	(14,779)	(824)	(15,255)	563	210,454

Consolidated Financial Statements

Consolidated Statement of Cash Flows

TAIYO YUDEN CO., LTD. and Subsidiaries

	(Millions of yen)	
	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	28,110	23,818
Depreciation	26,547	27,022
Impairment loss	4,614	5,290
Insurance claim income	—	(1,351)
Business restructuring expenses	2,235	—
Loss on disaster	—	3,168
Loss related to anti-monopoly act	579	3,600
Amortization of goodwill	473	631
Increase (decrease) in allowance for doubtful accounts	(29)	(59)
Increase (decrease) in provision for bonuses	430	420
Increase (decrease) in provision for bonuses for directors (and other officers)	26	(24)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(1)	(80)
Interest and dividend income	(524)	(482)
Interest expenses	349	375
Share of loss (profit) of entities accounted for using equity method	786	787
Share issuance costs	144	—
Loss (gain) on sales and retirement of non-current assets	478	615
Loss (gain) on sales of investment securities	(1,535)	(10)
Loss (gain) on step acquisitions	(249)	—
Subsidy income	(209)	(123)
Loss (gain) on valuation of investment securities	52	17
Decrease (increase) in trade receivables	(1,340)	(3,207)
Decrease (increase) in inventories	(6,263)	(4,295)
Increase (decrease) in trade payables	(4,062)	1,894
Other, net	103	2,717
Subtotal	50,716	60,724
Interest and dividends received	514	502
Interest paid	(299)	(415)
Proceeds from insurance income	—	1,351
Business restructuring expenses paid	(2,235)	—
Payments associated with disaster loss	—	(1,588)
Payments for loss related to anti-monopoly act	(2,681)	(802)
Income taxes (paid) refund	(3,047)	(7,338)
Net cash provided by (used in) operating activities	42,967	52,434
Cash flows from investing activities		
Purchase of non-current assets	(42,562)	(44,067)
Proceeds from sales of non-current assets	38	327
Decrease (increase) in time deposits	1,028	2,186
Proceeds from sales of investment securities	2,536	194
Proceeds from subsidy income	312	222
Purchase of shares of subsidiaries and associates	(258)	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	*2 5,148	—
Other, net	173	261
Net cash provided by (used in) investing activities	(33,581)	(40,874)

	(Millions of yen)	
	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(12,673)	(3,899)
Proceeds from long-term borrowings	22,024	9,000
Repayments of long-term borrowings	(5,194)	(2,477)
Purchase of treasury shares	(3,001)	(4,006)
Dividends paid	(2,449)	(2,776)
Repayments of lease obligations	(117)	(630)
Other, net	(191)	(61)
Net cash provided by (used in) financing activities	(1,603)	(4,851)
Effect of exchange rate change on cash and cash equivalents	34	(1,077)
Net increase (decrease) in cash and cash equivalents	7,816	5,630
Cash and cash equivalents at beginning of period	43,837	51,654
Cash and cash equivalents at end of period	*1 51,654	*1 57,285