

Earnings Release Conference

First quarter for the year ending March 31, 2026

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Chief of Management Planning Headquarters
August 5, 2025

Financial Summary

Consolidated 1Q for the Year Ending March 2026

- Net sales were ¥84.8 billion, down 2% Q/Q. Sales increased for IT infrastructure/industrial equipment, such as servers, while sales decreased for information and communication equipment.
- Operating profit was ¥3.1 billion. This was an increase of 53% Q/Q as the capacity utilization effect for increase in profit outweighed factors for decrease in profit due to the appreciation of the yen.
- Net sales and operating profit both exceeded the expected level in the May forecast.

Consolidated Earnings Forecast for the Year Ending March 2026

- There are no changes to the forecasts announced at the beginning of the fiscal year.
- The earnings forecasts are for net sales of ¥340.0 billion, down slightly Y/Y, and operating profit of ¥16.0 billion, up 53% Y/Y.

Consolidated Financial Summary for 1Q FYE March 2026

Net sales were 84.8 billion yen, down 2% Q/Q.

Sales increased for IT infrastructure/industrial equipment, such as servers, while sales decreased for information and communication equipment, including smartphones.

Operating profit was 3.1 billion yen.

This represented a 53% increase Q/Q, as the positive impact of higher capacity utilization outweighed the negative effect of the yen's appreciation.

In the earnings announcement in May, TAIYO YUDEN expected a 3–7% decline in net sales Q/Q in its guidance for the first quarter, assuming an exchange rate of US\$1:¥140.

However, business performance in both sales and operating profit exceeded the forecast because the exchange rate was at the US\$1:¥146 level, as well as other factors.

Consolidated Earnings Forecasts for FYE March 2026

There are no changes to the forecasts announced at the beginning of the fiscal year.

The earnings forecasts project net sales of 340.0 billion yen, slightly down Y/Y, and operating profit of 16.0 billion yen, up 53% Y/Y.

Consolidated Financial Results

First quarter for the year ending March 31, 2026

Consolidated Financial Results (Q/Q)

¥ in million	FYE Mar 31, 2025 4Q (01 Jan 2025 –31 Mar 2025)		FYE Mar 31, 2026 1Q (01 Apr 2025 –30 Jun 2025)		Change Q/Q	
	Net sales	86,713	100.0%	84,810	100.0%	(1,902)
Operating profit	2,057	2.4%	3,142	3.7%	1,085	52.7%
Ordinary profit	(3,167)	(3.7)%	256	0.3%	3,424	—
Profit attributable to owners of parent	(5,837)	(6.7)%	(876)	(1.0)%	4,961	—
Yen/USD average exchange rate	154.11 yen		146.18 yen		7.93 yen appreciated	
Impact of exchange rate fluctuation	(3.5) billion yen on net sales, (2.1) billion yen on operating profit *Including the impact of currencies other than US dollars					
R&D expenses	3,938		3,585		(352)	(8.9)%
Capital investment	17,747		10,930		(6,817)	(38.4)%
Depreciation expenses	12,432		11,432		(1,000)	(8.0)%

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As previously noted, the financial results for the first quarter of the fiscal year ending March 2026 recorded net sales of 84.8 billion yen, operating profit of 3.1 billion yen.

Since the yen appreciated at the end of the quarter, foreign exchange loss of 3.0 billion yen was recorded as non-operating expenses, resulting in ordinary profit of 0.3 billion yen.

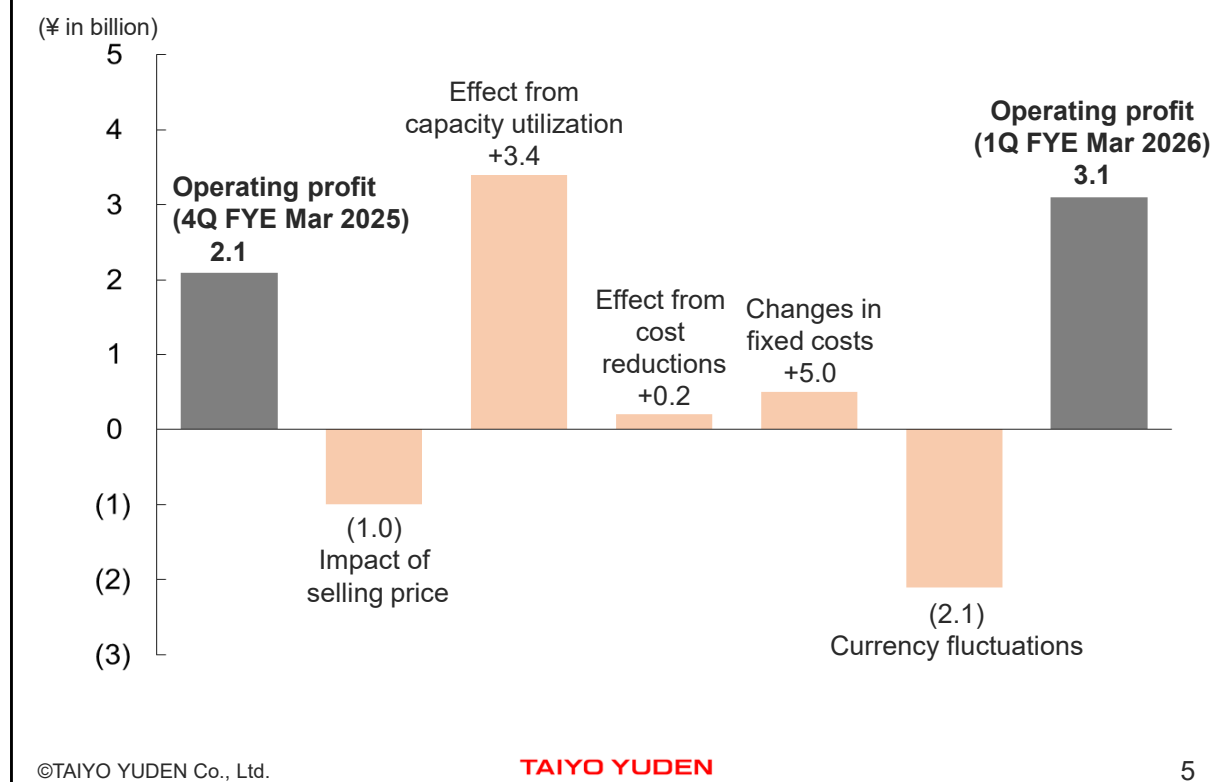
In addition, loss attributable to owners of parent was 0.9 billion yen as a result of a 0.4 billion yen in business restructuring expenses associated with the downsizing of the circuit module business, as well as corporate taxes and other factors.

The average exchange rate during the quarter was US\$1:¥146 level, an appreciated of ¥8 Q/Q. This resulted in a reduction of 3.5 billion yen in net sales and a decrease of 2.1 billion yen in operating profit.

R&D expenses were 3.6 billion yen, capital investment was 10.9 billion yen, and depreciation expenses were 11.4 billion yen, all lower than in the previous quarter.

In particular, capital investment was significantly lower, as the large-scale investments maintained up until the previous fiscal year have been completed.

Factors behind Operating Profit (Q/Q)



The main factor for the increase in operating profit Q/Q was the effect of capacity utilization. Higher sales volume and an increase in inventory were factors contributing to a 3.4 billion yen increase in operating profit.

Company-wide inventory as of June 30, 2025 increased 1.5 billion yen from March 31, 2025 on the actual basis excluding the portion with no effect on operating profit, such as the impact of exchange rates.

Other factors for the increase in operating profit were a 0.5 billion yen effect from the reduction in fixed costs and a 0.2 billion yen effect from the cost reductions.

Meanwhile, a foreign exchange loss of 2.1 billion yen, due to yen appreciation, pushed profit down.

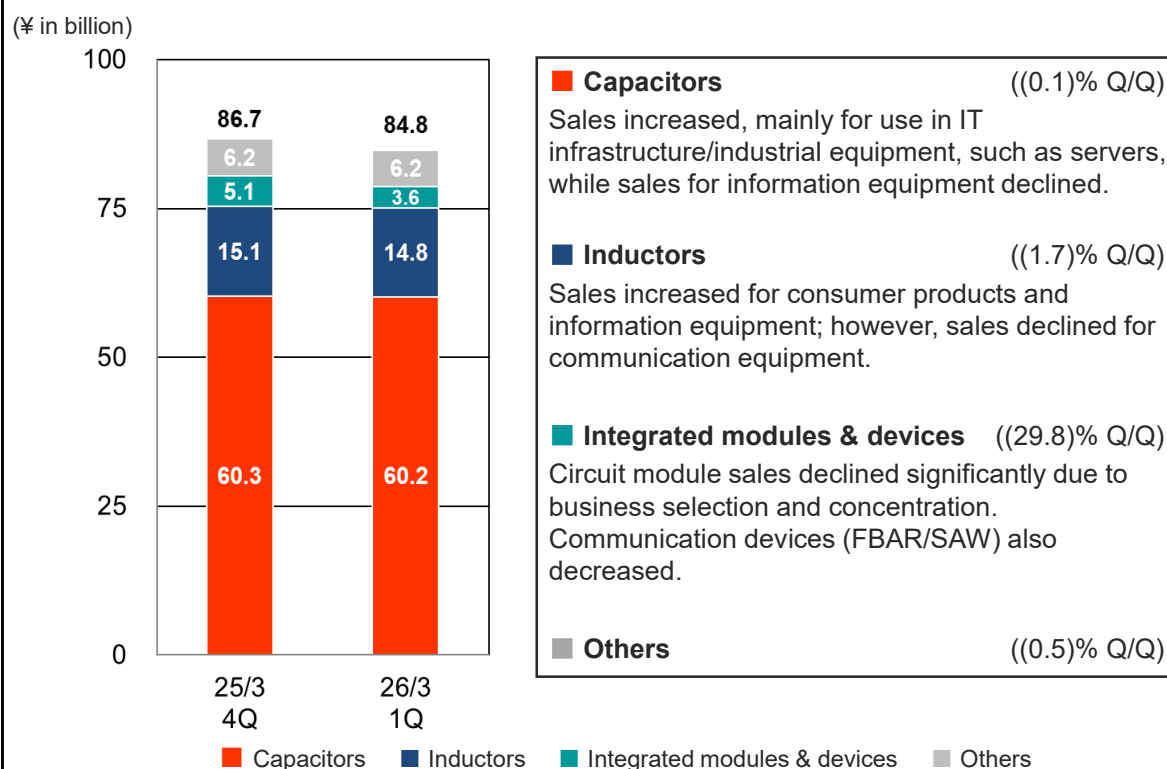
Another factor for decrease in profit was 1.0 billion yen from a decline in selling prices. However, the rate of price reductions moderated somewhat from the previous quarter.

As a result, operating profit was 3.1 billion yen, an increase of 1.1 billion yen Q/Q.

Financial Results by Product Classification (Q/Q)

¥ in million	FYE Mar 31, 2025		FYE Mar 31, 2026		Change Q/Q	
	4Q		1Q			
Capacitors	60,277	69.5%	60,197	71.0%	(79)	(0.1)%
Inductors	15,100	17.4%	14,839	17.5%	(260)	(1.7)%
Integrated modules & devices	5,137	5.9%	3,608	4.3%	(1,528)	(29.8)%
Others	6,197	7.1%	6,164	7.3%	(33)	(0.5)%
Total net sales	86,713	100.0%	84,810	100.0%	(1,902)	(2.2)%

Financial Results by Product Classification (Q/Q)



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Net sales of capacitors were 60.2 billion yen, flat Q/Q.

By market sector, sales increased for IT infrastructure/industrial equipment such as servers, whereas sales for information equipment, such as SSDs, declined.

Capacity utilization for capacitors was approximately 85% in the first quarter.

Net sales of inductors were 14.8 billion yen, down 2% Q/Q.

Sales increased for consumer products, such as game consoles, and information equipment such as memory modules. However, sales declined for communication equipment, including smartphone.

Meanwhile, sales of integrated modules & devices were 3.6 billion yen, a significant decline of 30% Q/Q.

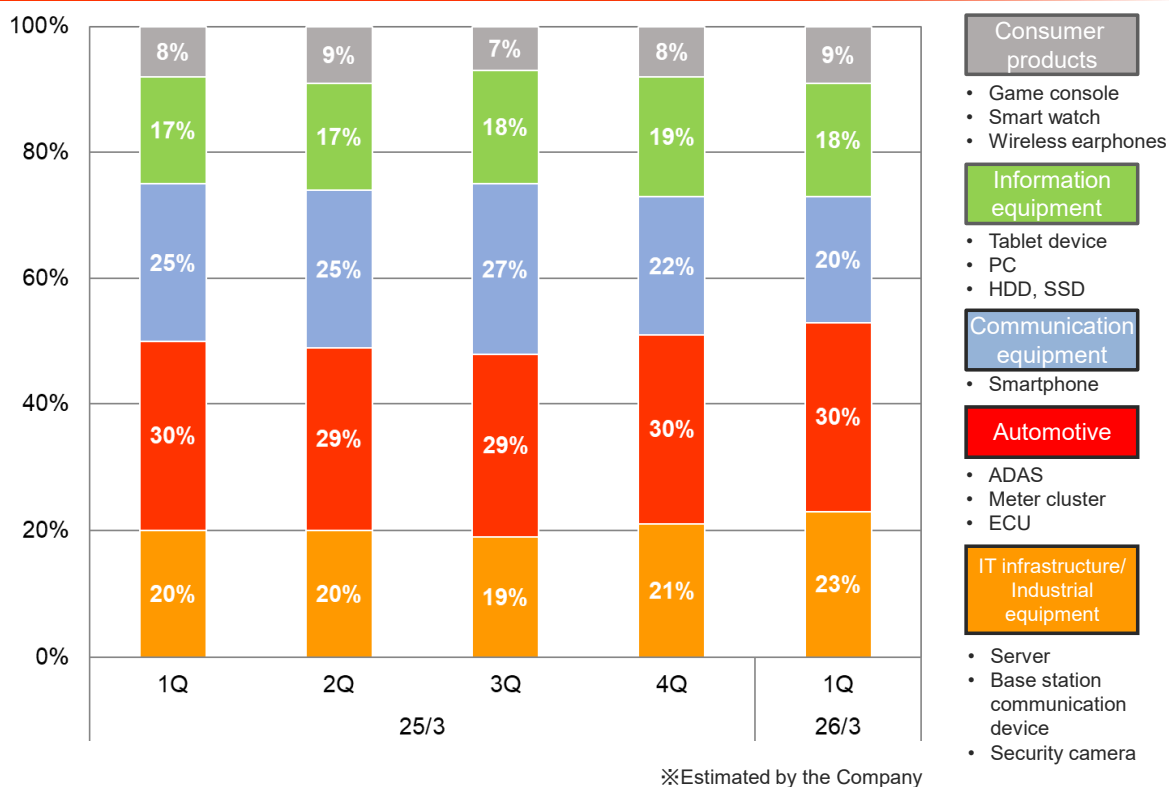
The main factor was the reduction in the size of the circuit module business due to completion of business selection and concentration, which had been underway for some time.

There was also a decline in sales of communication devices (FBAR/SAW) for use in high-end Chinese smartphones, where the downturn in demand is persisting.

Communication devices now account for the bulk of integrated module & device sales at 90–95%.

Sales of others, mainly aluminum electrolytic capacitors from our subsidiary ELNA, totaled 6.2 billion yen, flat Q/Q.

Sales by Market Sector



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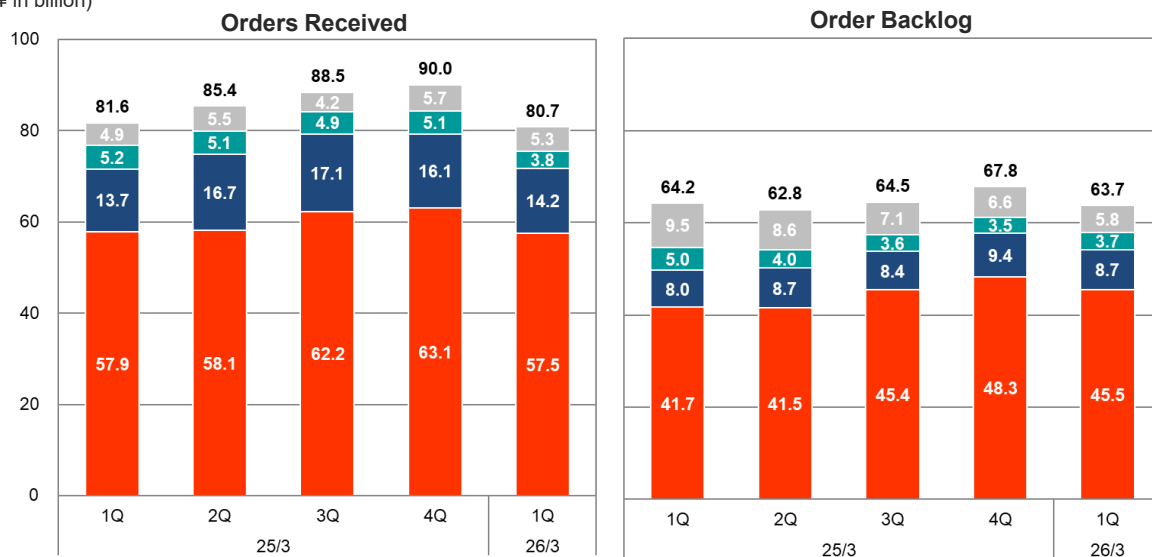
Composition of sales for use in IT infrastructure/industrial equipment increased by 2 percentage points to 23%, driven by expansion in demand for products for use in servers.

Meanwhile, composition of sales for use in communication devices decreased by 2 percentage points to 20% due to a seasonal decline in demand for smartphones.

There were no major changes in the composition of sales, as sales for automotive use were 30%, sales for information equipment were 18%, and sales for consumer products were 9%.

Orders Received and Order Backlog

(¥ in billion)



BB Ratio

	25/3				26/3
	1Q	2Q	3Q	4Q	1Q
Company-wide	1.01	0.98	1.02	1.04	0.95
Capacitors	1.05	1.00	1.07	1.05	0.95

■ Capacitors ■ Inductors
■ Integrated modules & devices
■ Others

※ BB ratio = Orders received/Net sales

Orders received for all TAIYO YUDEN products in the first quarter were 80.7 billion yen, down 10% from the previous quarter.

Orders received for capacitors also decreased from the previous quarter to 57.5 billion yen, down 9%.

The book-to-bill (BB) ratio representing the ratio of orders received to net sales was 0.95 for both all TAIYO YUDEN products and capacitors, indicating a level below 1 for each category.

The order backlog decreased from the end of the previous quarter both all TAIYO YUDEN products and capacitors.

Forecast of Consolidated Performance

for the year ending March 31, 2026

Full-Year Forecast

¥ in million	FYE Mar 31, 2025		FYE Mar 31, 2026 Forecast		Change	
Net sales	341,438	100.0%	340,000	100.0%	(1,438)	(0.4)%
Operating profit	10,459	3.1%	16,000	4.7%	5,541	53.0%
Ordinary profit	10,517	3.1%	15,000	4.4%	4,483	42.6%
Profit attributable to owners of parent	2,328	0.7%	8,000	2.4%	5,672	243.6%
Yen/USD average exchange rate	152.61 yen		140.00 yen		12.61 yen appreciated	
R&D expenses	15,042		15,500		458	3.0%
Capital investment	64,158		46,000		(18,158)	(28.3)%
Depreciation expenses	46,258		48,000		1,742	3.8%

The earnings forecast announced in May remains unchanged.

As mentioned at the beginning of the presentation, there are no changes to the forecasts announced at the beginning of the fiscal year. At present, there have also been no major changes in the outlook for demand, the impact of tariffs, production, and costs presented as the assumptions for the forecasts.

In terms of demand for electronic components, we expect that demand will grow primarily for high-reliability multilayer ceramic capacitor (MLCC) and large-sized products used in AI servers, automobiles, and other applications.

We will continue to increase capacity for these products to boost supply and meet the growing demand.

There is no change in our view that the tariffs of individual countries, particularly the U.S., will have a minor direct impact on TAIYO YUDEN's financial results.

Regarding the outlook for the extent of any indirect impact, we assumed there is the risk of a decline in demand due to price pass-through to final products and reflected an estimated negative impact of 9.0 billion yen on TAIYO YUDEN's sales in the initial earnings forecast.

The uncertainties around future developments are yet to be dispelled, and there are no changes in TAIYO YUDEN's risk assumptions.

In terms of production, we aim to increase company-wide inventory by approximately 6.0 billion yen during the current fiscal year.

As for costs, although we are working on cost reductions through the structural reforms of the communication device business, which commenced in FYE March 2025 and a careful review of plans, we expect that fixed costs overall, mainly depreciation expenses, will increase by 2.5 billion yen compared to FYE March 2025.

2Q - Forecast by Product Classification

¥ in million	FYE Mar 31, 2026 1Q	FYE Mar 31, 2026 2Q Forecast (Q/Q)
Capacitors	60,197	+7%~+11%
Inductors	14,839	+9%~+13%
Integrated modules & devices	3,608	+13%~+17%
Others	6,164	(2)%~+2%
Total net sales	84,810	+7%~+11%
Yen/USD average exchange rate	146.18 yen	(Assumption) 145.00 yen

The forecast by product classification in the second quarter are as shown in the table.

We expect sales of capacitors will increase by 7-11% Q/Q, and sales will increase for all applications including IT infrastructure/industrial equipment.

Inductor sales are expected to increase by 9-13%, mainly driven by seasonal demand for smartphones, particularly in communications equipment.

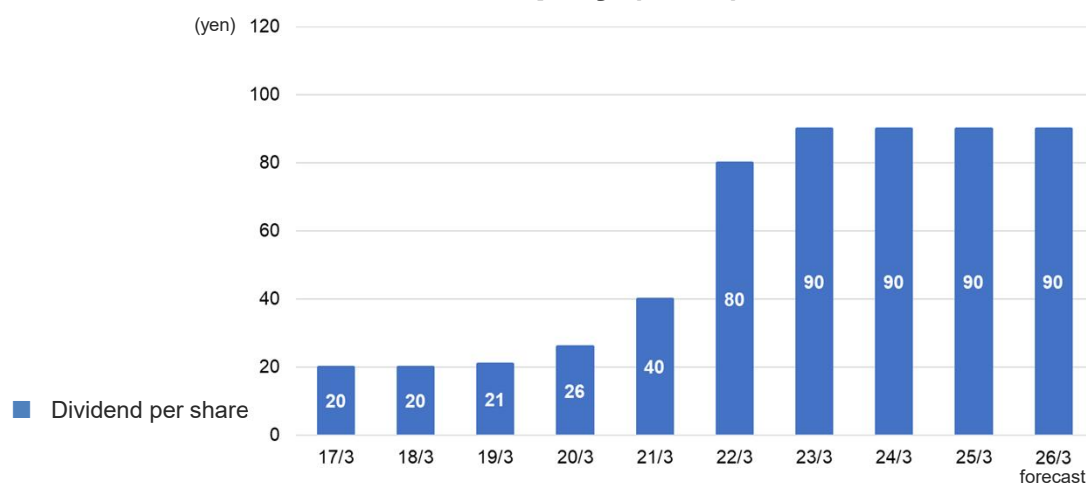
Integrated modules & devices are expected to increase by 13-17%. However, at this point, we do not recognize this as a sign of a full-scale recovery in demand, and we will continue to closely monitor future developments.

Sales of other products are expected to show no major changes. Total sales are forecast to increase by 7-11% Q/Q.

The assumed exchange rate for the second quarter is US\$1:¥145

Shareholder Return Policy

Aiming to achieve a dividend payout ratio of 30% and a Dividend on Equity (DOE) ratio of 3.5%



Dividend payout ratio (%)	43.4	14.4	11.1	18.2	17.5	18.5	48.3	134.8	482.1	140.3
Dividend on equity (DOE) ratio (%)	1.5	1.4	1.3	1.6	2.1	3.3	3.5	3.4	3.5	3.5
Total return ratio (%)	43.4	14.4	24.0	40.3	17.5	27.6	48.3	134.8	482.1	—
Amount of treasury stock (¥ in billion)	0	0	3.0	4.0	0	5.0	0	0	0	—

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With no change to the initial dividend forecast, we plan to pay an annual dividend of 90 yen per share in FYE March 2026.

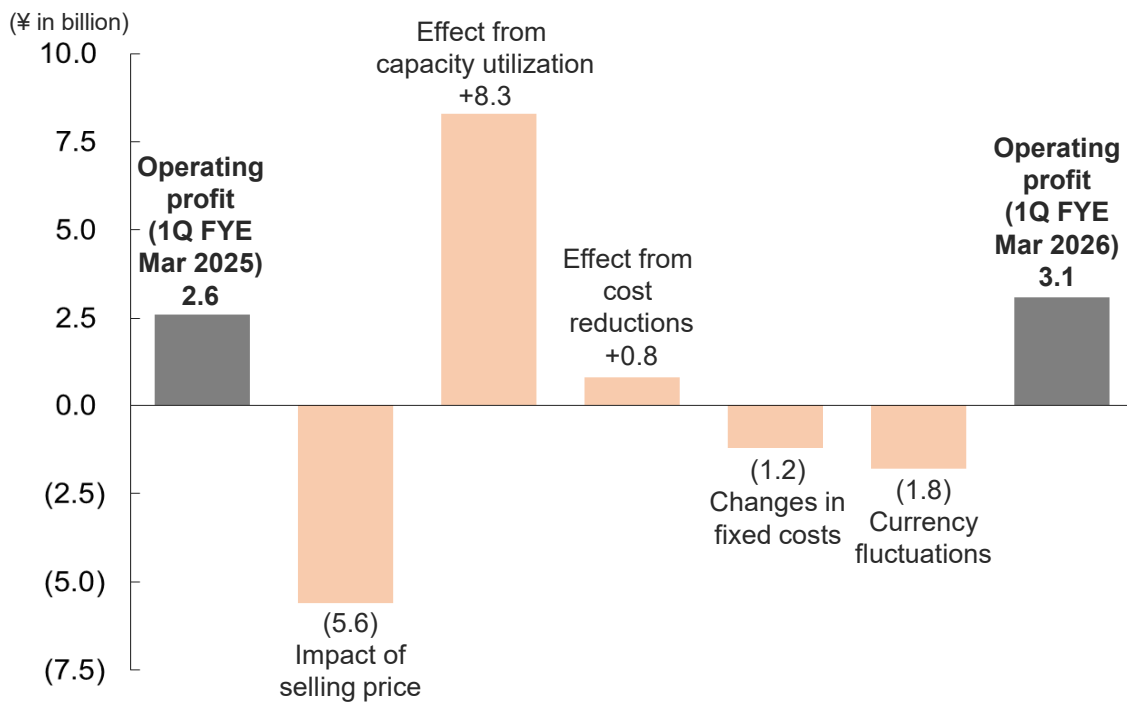
We will continue working to realize stable dividend growth through an increase in profit per share, using a dividend payout ratio of 30% and a DOE of 3.5% as our indicators for shareholder returns.

Supplementary Information

Consolidated Financial Results (Y/Y)

¥ in million	FYE Mar 31, 2025 1Q		FYE Mar 31, 2026 1Q		Change Y/Y	
Net sales	81,138	100.0%	84,810	100.0%	3,672	4.5%
Operating profit	2,630	3.2%	3,142	3.7%	511	19.4%
Ordinary profit	8,377	10.3%	256	0.3%	(8,120)	(96.9)%
Profit attributable to owners of parent	6,309	7.8%	(876)	(1.0)%	(7,185)	—
Yen/USD average exchange rate	153.15 yen		146.18 yen		6.97 yen appreciated	
Impact of exchange rate fluctuation	(3.2) billion yen on net sales, (1.8) billion yen on operating profit *Including the impact of currencies other than US dollars					
R&D expenses	3,641		3,585		(55)	(1.5)%
Capital investment	14,980		10,930		(4,050)	(27.0)%
Depreciation expenses	10,548		11,432		883	8.4%

Factors behind Operating Profit (Y/Y)



Financial Results by Product Classification (Y/Y)

¥ in million	FYE Mar 31, 2025 1Q		FYE Mar 31, 2026 1Q		Change Y/Y	
	Value	Share	Value	Share	Value	Share
Capacitors	55,192	68.0%	60,197	71.0%	5,005	9.1%
Inductors	13,011	16.0%	14,839	17.5%	1,828	14.1%
Integrated modules & devices	6,388	7.9%	3,608	4.3%	(2,779)	(43.5)%
Others	6,546	8.1%	6,164	7.3%	(382)	(5.8)%
Total net sales	81,138	100.0%	84,810	100.0%	3,672	4.5%

Financial Results by Product Classification (Y/Y)

(¥ in billion)



■ Capacitors (+9.1% Y/Y)

Sales increased, mainly for use in automotive and IT infrastructure/industrial equipment. Sales of products for use in communication equipment decreased.

■ Inductors (+14.1% Y/Y)

Sales increased, mainly for use in consumer products and Information equipment.

■ Integrated modules & devices ((43.5)% Y/Y)

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

■ Others ((5.8)% Y/Y)

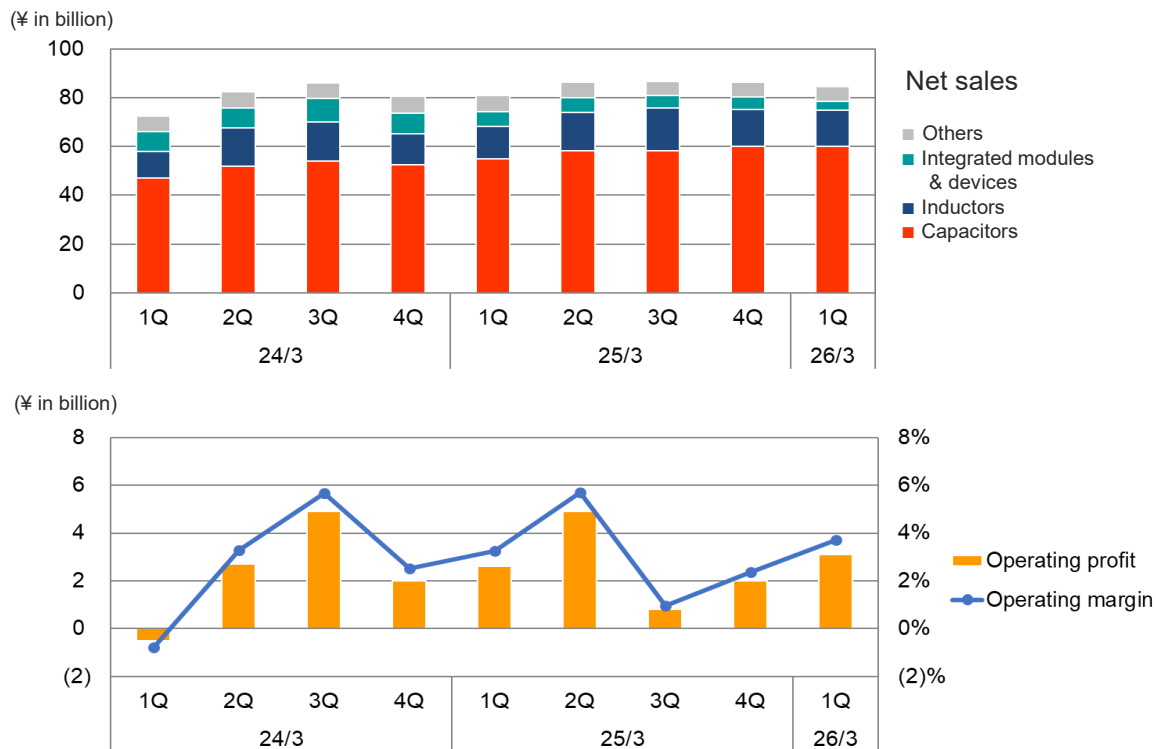
Sales of aluminum electrolytic capacitors decreased.

■ Capacitors ■ Inductors ■ Integrated modules & devices ■ Others

Consolidated Earnings Trends (Quarterly)

¥ in million	FYE Mar 31, 2024				FYE Mar 31, 2025				FYE Mar 31, 2026
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Net sales	72,612	82,814	86,386	80,834	81,138	86,718	86,868	86,713	84,810
Capacitors	47,133	51,950	54,190	52,554	55,192	58,278	58,317	60,277	60,197
Inductors	10,976	15,748	16,196	12,645	13,011	15,963	17,471	15,100	14,839
Integrated modules & devices	8,182	8,326	9,641	8,784	6,388	6,097	5,363	5,137	3,608
Others	6,320	6,789	6,358	6,849	6,546	6,379	5,714	6,197	6,164
Operating profit	(577)	2,721	4,900	2,036	2,630	4,945	825	2,057	3,142
Ordinary profit	1,159	5,127	1,169	6,301	8,377	(1,617)	6,925	(3,167)	256
Profit attributable to owners of parent	903	2,497	276	4,641	6,309	(2,741)	4,598	(5,837)	(876)
Yen/USD average exchange rate	134.93 yen	142.47 yen	149.10 yen	146.76 yen	153.15 yen	154.14 yen	149.04 yen	154.11 yen	146.18 yen

Consolidated Earnings Trends (Quarterly)



Consolidated Financial Position

¥ in million	As of March 31, 2025	As of June 30, 2025	Change
Cash and deposits	78,166	85,525	7,358
Total assets	573,188	584,367	11,178
Interest-bearing liabilities	164,401	170,293	5,892
Total liabilities	254,017	270,876	16,859
Total net assets	319,171	313,490	(5,680)
Equity-to-asset ratio	55.6%	53.6%	—
Net cash	(86,235)	(84,768)	1,466
D/E ratio	0.52	0.54	—

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.

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