

# Earnings Release Conference

Second quarter for the year ending March 31, 2025

Tomomitsu Fukuda  
Chief of Management Planning Headquarters  
November 7, 2024

## Financial Summary

### Consolidated 2Q for the Year Ending March 2025

- Net sales were ¥86.7 billion, up 7% Q/Q. Sales increased in all market sectors.
- Operating profit was ¥4.9 billion, up 88% Q/Q.
- Both net sales and operating profit fell short of the forecast in August. Demand was sluggish, primarily for use in Chinese smartphones, automobiles, and IT infrastructure/industrial equipment.

### Consolidated Earnings Forecast for the Year Ending March 2025

- The financial results forecasts published in May have been revised downward.
- TAIYO YUDEN will aim for net sales of ¥330.0 billion, up 2% Y/Y, and operating profit of ¥7.6 billion, down 16% Y/Y.

### Consolidated Financial Summary for 2Q FYE March 2025

Net sales were 86.7 billion yen, up 7% from the previous quarter.

Sales increased for all market sectors, including for use in consumer products such as smart watches and communication equipment typically smartphones.

Operating profit was 4.9 billion yen, up 88% from the previous quarter.

Compared with expectations as of August when the results for the first quarter were published, both net sales and operating profit fell short of the forecast.

The main factor was that demand was lower than our forecast and remained sluggish, particularly for use in Chinese smartphones, automobiles, and IT infrastructure/industrial equipment.

### Consolidated Earnings Forecasts for FYE March 2025

Based on the results up to the second quarter and future demand forecasts, the full-year earnings forecasts published in May have been revised downward.

TAIYO YUDEN will aim for net sales of 330.0 billion yen, up 2% Y/Y, and operating profit of 7.6 billion yen, down 16% Y/Y.

# Consolidated Financial Results

Second quarter for the year ending March 31, 2025

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## 2Q – Consolidated Financial Results (Q/Q)

¥ in million	FYE Mar 31, 2025 1Q (01 Apr 2024 –30 Jun 2024)		FYE Mar 31, 2025 2Q (01 Jul 2024 –30 Sep 2024)		Change Q/Q	
Net sales	81,138	100.0%	86,718	100.0%	5,579	6.9%
Operating profit	2,630	3.2%	4,945	5.7%	2,314	88.0%
Ordinary profit	8,377	10.3%	(1,617)	(1.9)%	(9,994)	—
Profit attributable to owners of parent	6,309	7.8%	(2,741)	(3.2)%	(9,050)	—
Yen/USD average exchange rate	153.15 yen		154.14 yen		0.99yen depreciated	
Impact of exchange rate fluctuation	0.4 billion yen on net sales, 0.9 billion yen on operating profit *Including the impact of currencies other than US dollars					
R&D expenses	3,641		3,687		45	1.3%
Capital investment	14,980		15,100		119	0.8%
Depreciation expenses	10,548		11,377		828	7.9%

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The financial results for the second quarter of the fiscal year ending March 2025 recorded net sales of 86.7 billion yen, and operating profit of 4.9 billion yen.

Since the yen appreciated significantly from the US\$1:¥161 level at the end of the first quarter to the US\$1:¥142 level at the end of the second quarter, we recorded a foreign exchange losses of 7.1 billion yen, resulting in an ordinary loss of 1.6 billion yen. In addition, loss attributable to owners of parent was 2.7 billion yen as a result of a 1.7 billion yen loss in aluminum electrolytic capacitors related to the Anti-monopoly Act recorded as extraordinary loss and other factors.

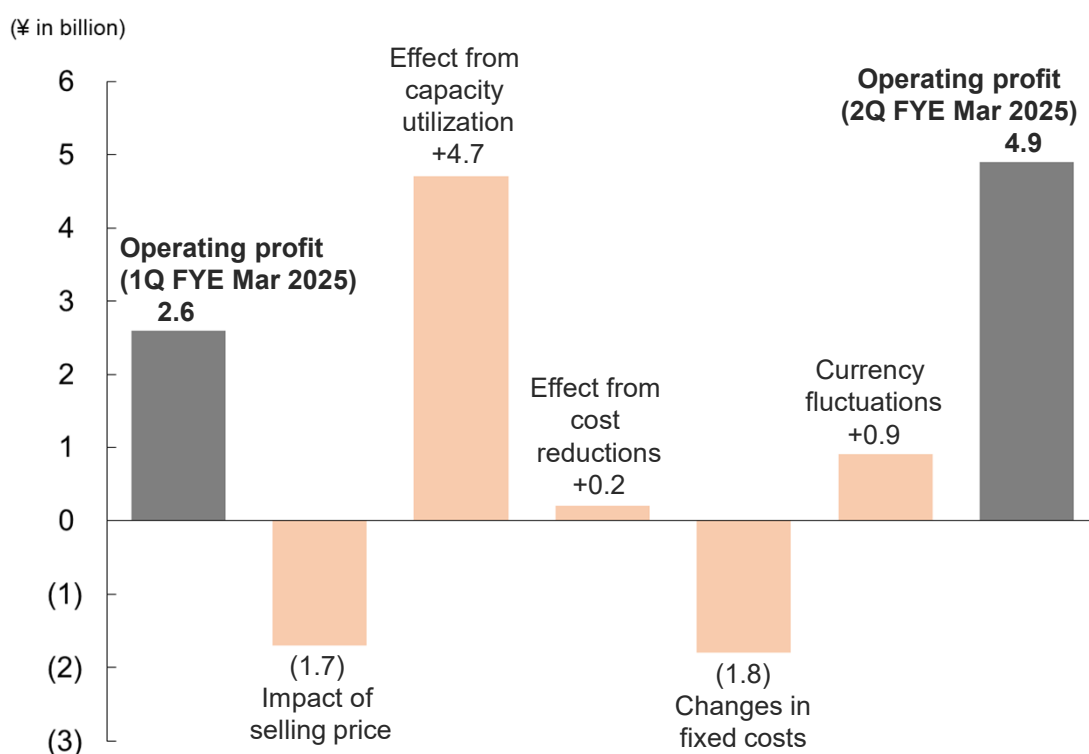
The average exchange rate during the quarter was US\$1:¥154 level, a depreciation of approximately ¥1 from the previous quarter.

The impact from this was an increase of 0.4 billion yen in net sales and an increase of 0.9 billion yen in operating profit.

R&D expenses were 3.7 billion yen and capital investment was 15.1 billion yen, largely in line with the previous quarter.

Depreciation expenses were 11.4 billion yen, up 0.8 billion yen from the previous quarter.

## 2Q – Factors behind Operating Profit (Q/Q)



The main factor for increase in operating profit Q/Q was the effect from capacity utilization.

The effect from capacity utilization includes the impact of improvement in product mix in addition to changes in sales volume and changes in inventory.

Higher sales volume and the increase in inventory were among the factors contributing to 4.7 billion yen increase in operating profit.

Company-wide inventory as of September 30, 2024 increased 5.5 billion yen from June 30, 2024 on the actual basis excluding the portion with no effect on operating profit, such as the impact of exchange rates.

Other factors for increase in operating profit were the 0.9 billion yen effect of exchange rates due to the depreciation of the yen and 0.2 billion yen effect from cost reductions.

Although the 1.7 billion yen impact of selling prices and the 1.8 billion yen increase in fixed costs were factors for decrease in profit, operating profit was 4.9 billion yen, an increase of 2.3 billion yen Q/Q.

## 2Q – Financial Results by Product Classification (Q/Q)

¥ in million	FYE Mar 31, 2025 1Q		FYE Mar 31, 2025 2Q		Change Q/Q	
	Value	Ratio	Value	Ratio	Value	Ratio
Capacitors	55,192	68.0%	58,278	67.2%	3,085	5.6%
Inductors	13,011	16.0%	15,963	18.4%	2,952	22.7%
Integrated modules & devices	6,388	7.9%	6,097	7.0%	(290)	(4.6)%
Others	6,546	8.1%	6,379	7.4%	(167)	(2.6)%
<b>Total net sales</b>	<b>81,138</b>	<b>100.0%</b>	<b>86,718</b>	<b>100.0%</b>	<b>5,579</b>	<b>6.9%</b>

## 2Q – Financial Results by Product Classification (Q/Q)

(¥ in billion)



- **Capacitors** (+5.6% Q/Q)  
 Sales increased, mainly for use in consumer products, automobiles and IT infrastructure/ industrial equipment.
  
- **Inductors** (+22.7% Q/Q)  
 Sales increased for all applications. Sales increased significantly particularly for use in communication equipment, such as smartphones.
  
- **Integrated modules & devices** ((4.6)% Q/Q)  
 Sales of FBAR/SAW devices for communications for use in Chinese smartphones decreased.
  
- **Others** ((2.6)% Q/Q)  
 Sales of aluminum electrolytic capacitors for use in automobiles decreased.

■ Capacitors   
 ■ Inductors   
 ■ Integrated modules & devices   
 ■ Others

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Net sales of capacitors were 58.3 billion yen, up 6% Q/Q.

By market sector, sales increased for use in consumer products, automobiles, and IT infrastructure/industrial equipment.

Capacity utilization for capacitors was 80-85% in the second quarter.

Net sales of inductors were 16.0 billion yen, up 23% Q/Q.

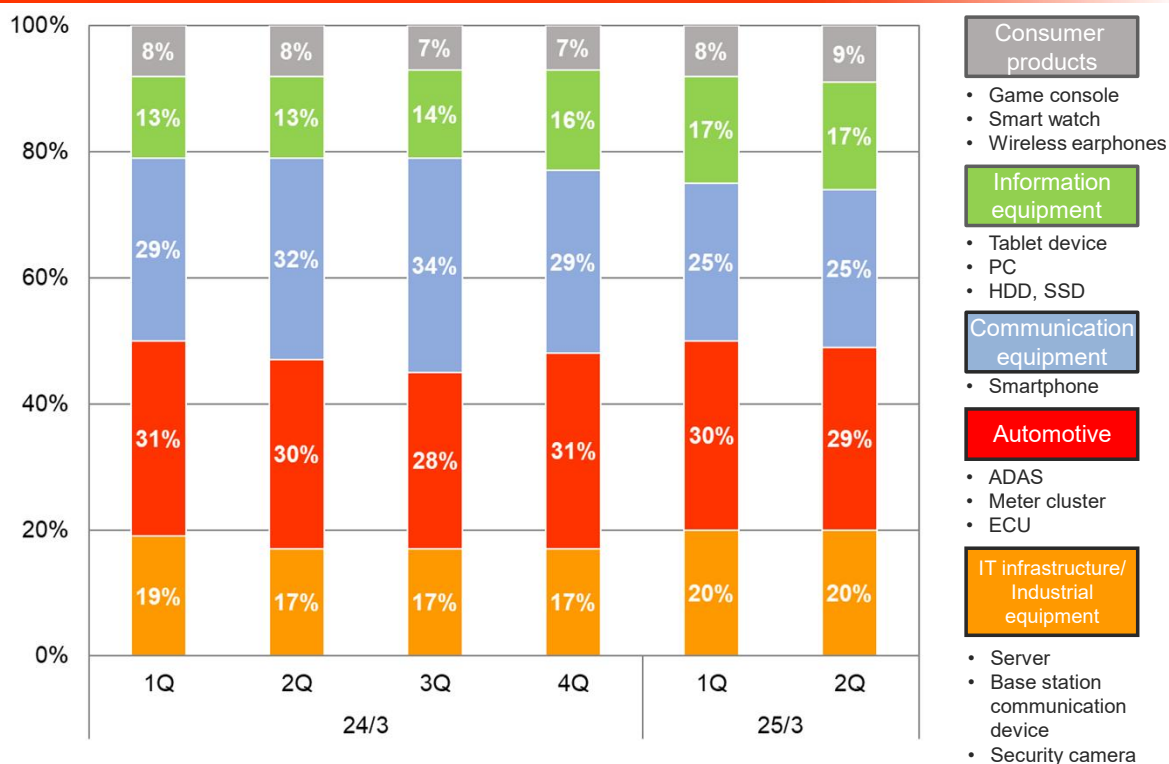
Sales increased in all market sectors, primarily for use in communication equipment, such as smartphones, which was in its peak demand season.

Meanwhile, sales of integrated modules & devices were 6.1 billion yen, down 5% Q/Q. Sales of FBAR/SAW devices for communications for use in Chinese smartphones declined.

Communication devices accounted for approximately 75% of integrated module & device sales.

Net sales of others were 6.4 billion yen, down 3% Q/Q, due to the decrease in sales of aluminum electrolytic capacitors by our subsidiary ELNA for use in automobiles.

## Sales by Market Sector



- Consumer products**
  - Game console
  - Smart watch
  - Wireless earphones
- Information equipment**
  - Tablet device
  - PC
  - HDD, SSD
- Communication equipment**
  - Smartphone
- Automotive**
  - ADAS
  - Meter cluster
  - ECU
- IT infrastructure/Industrial equipment**
  - Server
  - Base station communication device
  - Security camera

In terms of composition of sales by market sector, there were no major changes from the previous quarter.

Composition of sales for use in IT infrastructure/industrial equipment was 20% and sales for use in automobiles were 29%, together accounting for approximately 50% of the total.

Composition of sales for use in communication equipment was 25%, while sales for use in information equipment were 17%, and sales for use in consumer products were 9%.



## Orders Received and Order Backlog



BB Ratio

	24/3				25/3	
	1Q	2Q	3Q	4Q	1Q	2Q
Company-wide	0.92	0.99	1.07	0.91	1.01	0.98
Capacitors	0.93	1.01	1.07	0.97	1.05	1.00

■ Capacitors   ■ Inductors  
■ Integrated modules & devices  
■ Others

※ BB ratio = Orders received/Net sales

Orders received for all TAIYO YUDEN products in the second quarter were 85.4 billion yen, up 5% from the previous quarter.

Orders received for capacitors also increased slightly from the previous quarter to 58.1 billion yen.

The book-to-bill (BB) ratio representing the ratio of orders received to net sales decreased to 0.98 for all TAIYO YUDEN products and 1.00 for capacitors.

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

# Forecast of Consolidated Performance

for the year ending March 31, 2025

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## Full-Year Forecast (compared with the previous forecast)

¥ in million	FYE Mar 31, 2025 Forecast as of May 8		FYE Mar 31, 2025 Forecast as of Nov 7		Change	
Net sales	350,000	100.0%	330,000	100.0%	(20,000)	(5.7)%
Operating profit	20,000	5.7%	7,600	2.3%	(12,400)	(62.0)%
Ordinary profit	16,500	4.7%	6,000	1.8%	(10,500)	(63.6)%
Profit attributable to owners of parent	11,000	3.1%	0	0.0%	(11,000)	(100.0)%
Yen/USD average exchange rate	145.00 yen		149.32 yen		4.32 yen depreciated	
R&D expenses	15,000		15,000		0	0.0%
Capital investment	70,000		70,000		0	0.0%
Depreciation expenses	45,000		45,000		0	0.0%

Based on the results up to the second quarter and the future outlook, we have revised downward the full year earnings forecasts for the fiscal year ending March 31, 2025 published in May.

In terms of the demand trends for each market, while demand for AI servers for use in IT infrastructure/industrial equipment continues to expand, the recovery in demand for general-use servers, industrial equipment, and other products is still slow and lacking momentum.

Although demand for components used in automobiles has continued to expand, the pace of expansion appears to have slowed somewhat due to the downturn for EVs. As for communication equipment, there have also been sluggish demand for high-end Chinese smartphone models.

The revised earnings forecasts are for net sales of 330.0 billion yen, operating profit of 7.6 billion yen, and ordinary profit of 6.0 billion yen, with profit attributable to owners of parent of 0.

The assumed exchange rate is US\$1:¥145 for the third quarter onward and US\$1:¥149 level for the full year.

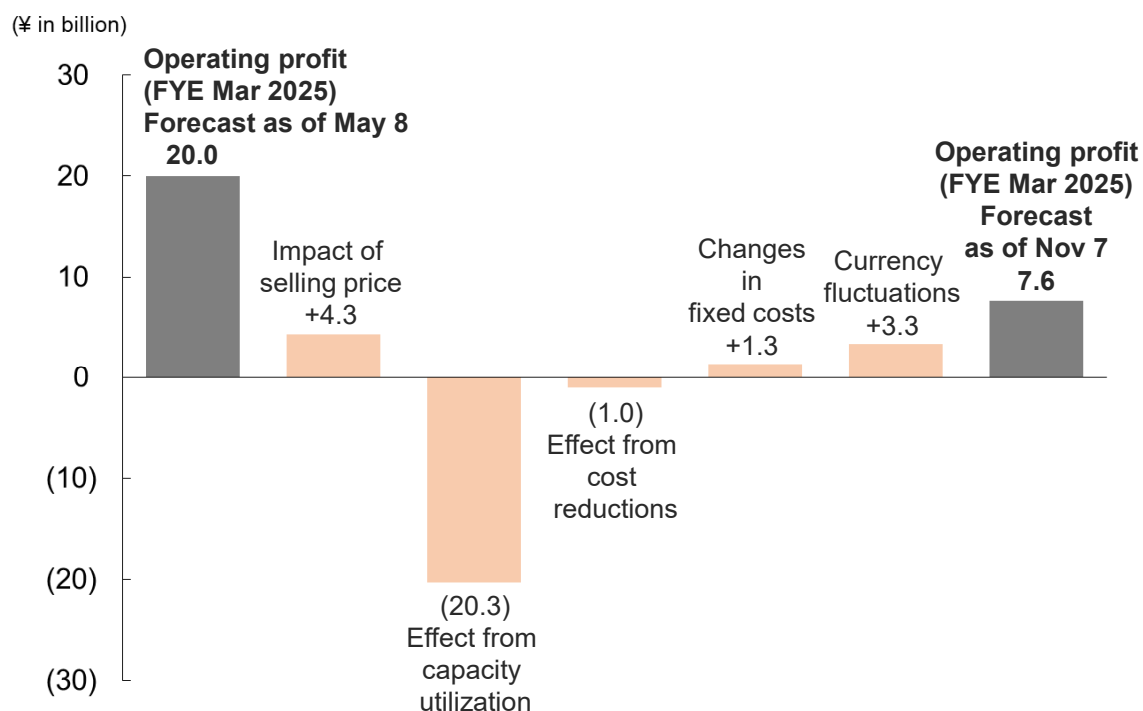
R&D expenses, capital investment, and depreciation expenses have not been revised from the previous forecast.

## Full-Year Forecast (Y/Y)

¥ in million	FYE Mar 31, 2024		FYE Mar 31, 2025 Forecast as of Nov 7		Change Y/Y	
Net sales	322,647	100.0%	330,000	100.0%	7,353	2.3%
Operating profit	9,079	2.8%	7,600	2.3%	(1,479)	(16.3)%
Ordinary profit	13,757	4.3%	6,000	1.8%	(7,757)	(56.4)%
Profit attributable to owners of parent	8,317	2.6%	0	0.0%	(8,317)	(100.0)%
Yen/USD average exchange rate	143.32 yen		149.32 yen		6.00 yen depreciated	
R&D expenses	13,696		15,000		1,304	9.5%
Capital investment	92,201		70,000		(22,201)	(24.1)%
Depreciation expenses	39,391		45,000		5,609	14.2%

Compared to the previous fiscal year, we anticipate a 2% increase in net sales and a 16% decrease in operating profit in addition to significant declines in ordinary profit and profit attributable to owners of parent.

## Factors behind Operating Profit (compared with the previous forecast)



We have revised operating profit downward by 12.4 billion yen from the previous forecast. The 20.3 billion yen effect from a decline in capacity utilization was a factor for significant decrease in operating profit.

Sales volume, mainly of products for use in IT infrastructure/industrial equipment, automobiles, and communication equipment, is expected to fall short of the Company's initial estimates.

For inventory, while there are changes for individual products depending on current demand trends, we plan to increase total company-wide inventory by approximately 10.0 billion yen from March 31, 2024 on the actual basis excluding exchange rates and the portion with no effect on operating profit as in the initial plan.

In addition, we plan to maintain inventory at around the same level during the current fiscal year from September 30, 2024 to March 31, 2025.

We expect the effect of cost reductions to decline by 1.0 billion yen from the previous forecast due to rising costs for materials.

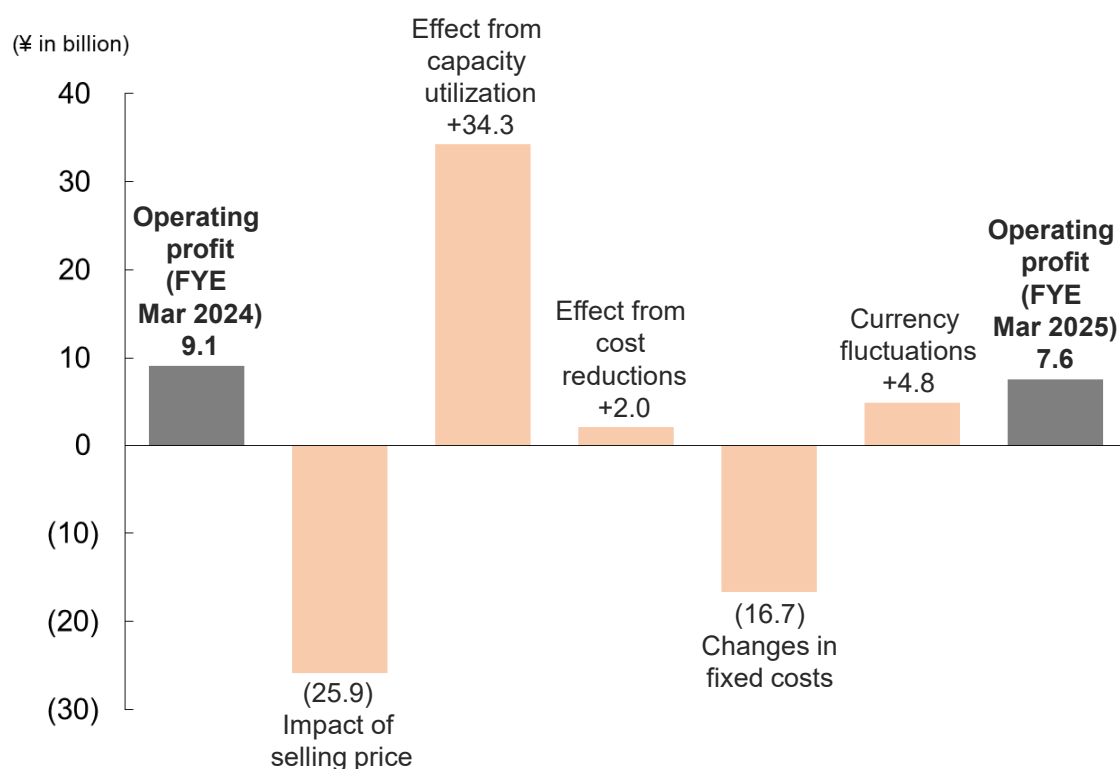
Meanwhile, there are three factors for increase in profit from the previous forecast as below.

While the outlook for the pace of price reductions is unchanged from the previous forecast, we expect the 4.3 billion yen effect of price reductions will be a factor for increase in profit due to the decrease in sales volume.

We anticipate fixed cost reductions of 1.3 billion yen from the initial plan due to cost control.

In addition, the assumed exchange rate is for a weaker yen than initially expected. As a result, we estimate the 3.3 billion yen effect of currency fluctuations will be a factor for increase in profit.

## Factors behind Operating Profit (Y/Y)



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A 34.3 billion yen effect from capacity utilization, a 2.0 billion yen effect from cost reductions, and 4.8 billion yen from currency fluctuations are expected to be factors for increase in profit.

However, these factors will not offset the factors for decrease in profit consisting of the 25.9 billion yen impact of selling prices and a 16.7 billion yen increase in fixed costs. As a result, we forecast a 1.5 billion yen decline in operating profit.

It is assumed that price declines when comparing the same products will continue at around the same pace as in the previous fiscal year.

## Forecast by Product Classification (compared with the previous forecast)

¥ in million	FYE Mar 31, 2025 Forecast as of May 8		FYE Mar 31, 2025 Forecast as of Nov 7		Change	
Capacitors	238,000	68.0%	225,500	68.3%	(12,500)	(5.3)%
Inductors	56,000	16.0%	56,500	17.1%	500	0.9%
Integrated modules & devices	29,000	8.3%	23,000	7.0%	(6,000)	(20.7)%
Others	27,000	7.7%	25,000	7.6%	(2,000)	(7.4)%
Total net sales	350,000	100.0%	330,000	100.0%	(20,000)	(5.7)%

In terms of the forecasts for sales by product classification, we increased the forecast for inductor sales by 1% from the one published in May, but lowered the sales forecasts for capacitors by 5%, integrated modules & devices by 21%, and others by 7%.

## Forecast by Product Classification (Y/Y)

¥ in million	FYE Mar 31, 2024		FYE Mar 31, 2025 Forecast as of Nov 7		Change Y/Y	
	Value	Percentage	Value	Percentage	Value	Percentage
Capacitors	205,829	63.8%	225,500	68.3%	19,671	9.6%
Inductors	55,566	17.2%	56,500	17.1%	934	1.7%
Integrated modules & devices	34,934	10.8%	23,000	7.0%	(11,934)	(34.2)%
Others	26,317	8.2%	25,000	7.6%	(1,317)	(5.0)%
Total net sales	322,647	100.0%	330,000	100.0%	7,353	2.3%

We expect that sales of capacitors and inductors will increase by 10% and 2% respectively Y/Y.

On the other hand, we expect sales of integrated modules & devices will decline by 34% Y/Y. The main factors are the slowdown in Chinese smartphone demand, which was strong in the previous fiscal year, and the impact of business contraction resulting from selection and concentration in the circuit modules business.

Sales of others are forecast to decline by 5%.



## Sales Forecast by Product Classification for 3Q

¥ in million	FYE Mar 31, 2025 2Q	FYE Mar 31, 2025 3Q (Change Q/Q)
Capacitors	58,278	(4) ~±0%
Inductors	15,963	(6~2)%
Integrated modules & devices	6,097	(16~12)%
Others	6,379	(6~2)%
Total net sales	86,718	(6~1)%
Yen/USD average exchange rate	154.14 yen	(Assumption) 145.00 yen

The forecasts for sales in the third quarter is as shown in the table.

We expect sales of capacitors will decline by up to 4% or be flat Q/Q.

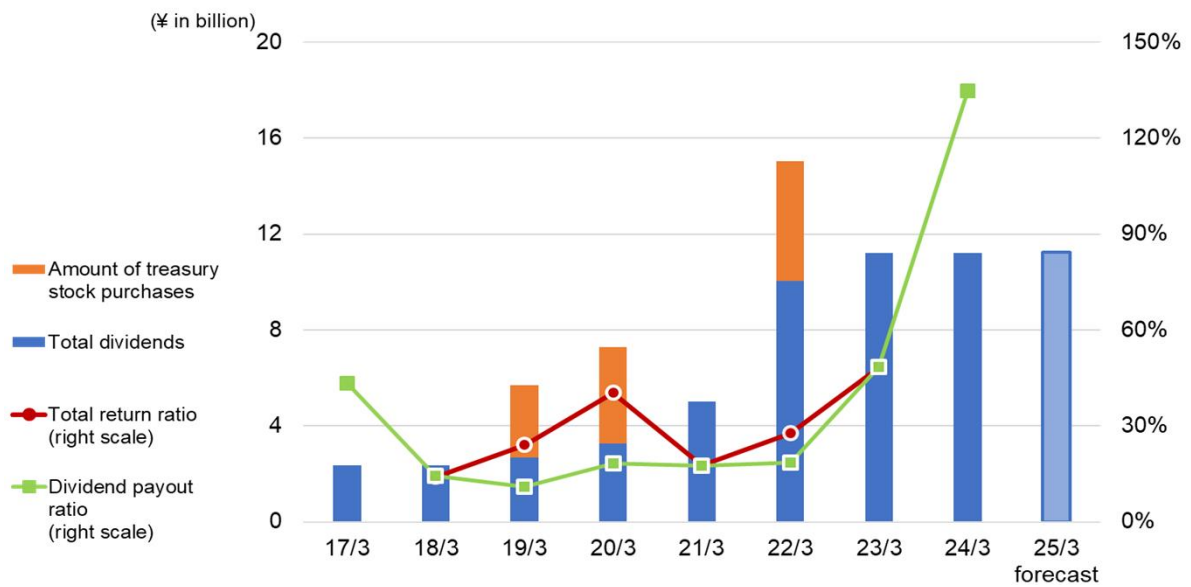
By market sector, sales of products for use in automobiles and IT infrastructure/industrial equipment are expected to increase while sales for use in consumer products, information equipment, and communication equipment are expected to decline.

Although we forecast sales of inductors for use in communication equipment will continue to increase, we expect a decrease of 6-2% overall in inductor sales due to a decline in sales for use in other market sectors.

We expect decreases of 16-12% in integrated module & device sales and 6-2% in others sales compared with the previous quarter. Total sales are forecast to decrease 6-1% Q/Q.

We will continue to monitor trends in the demand environment and fluctuations in financial and capital markets and respond to any changes while making preparations in anticipation of expansion in demand over the medium term.

## Shareholder Return Policy



Annual cash dividends per share (yen)	20	20	21	26	40	80	90	90	90
Basic earnings per share (yen)	46.08	138.80	189.93	143.04	227.99	433.46	186.32	66.75	—

**Aim to achieve a stable dividend payout ratio of 30%**

With no change to the initial dividend forecast, we plan to pay an annual dividend of 90 yen per share in FYE March 2025, consisting of an interim dividend of 45 yen per share and a year-end dividend of 45 yen per share, the same as in FYE March 2024.

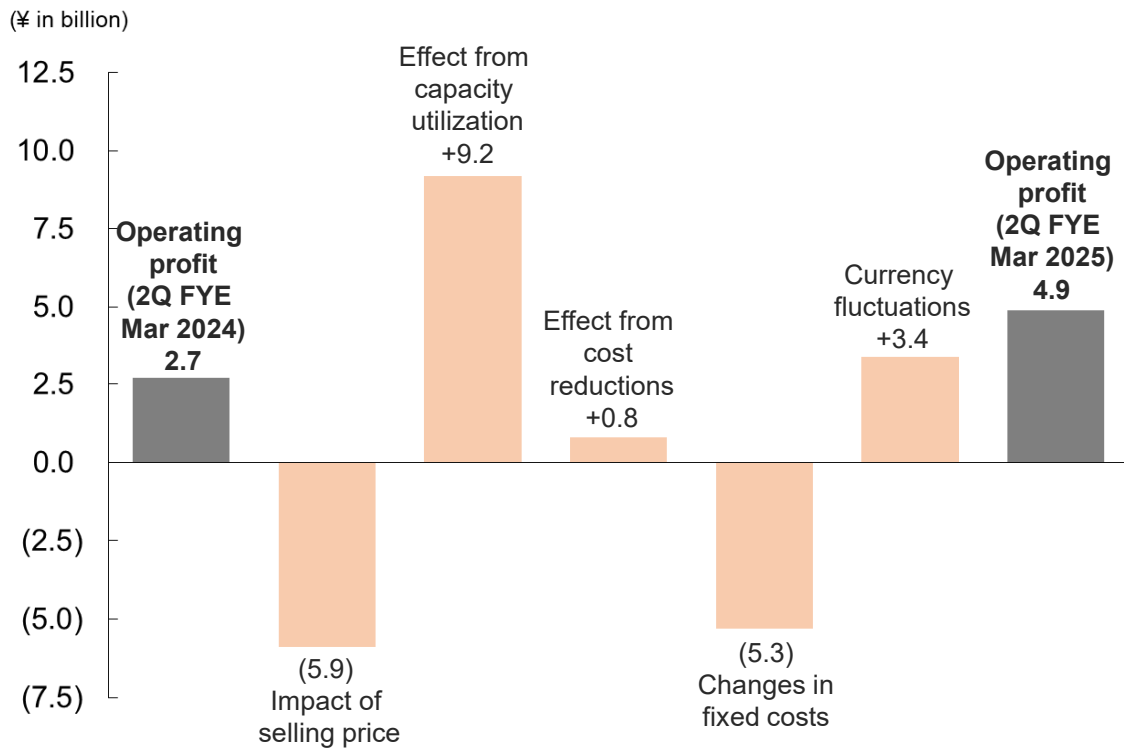
# Supplementary Information

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## 2Q – Consolidated Financial Results (Y/Y)

¥ in million	FYE Mar 31, 2024 2Q		FYE Mar 31, 2025 2Q		Change Y/Y	
Net sales	82,814	100.0%	86,718	100.0%	3,903	4.7%
Operating profit	2,721	3.3%	4,945	5.7%	2,224	81.7%
Ordinary profit	5,127	6.2%	(1,617)	(1.9)%	(6,745)	—
Profit attributable to owners of parent	2,497	3.0%	(2,741)	(3.2)%	(5,238)	—
Yen/USD average exchange rate	142.47 yen		154.14 yen		11.67 yen depreciated	
Impact of exchange rate fluctuation	5.0 billion yen on net sales, 3.4 billion yen on operating profit *Including the impact of currencies other than US dollars					
R&D expenses	3,353		3,687		333	9.9%
Capital investment	9,491		15,100		5,608	59.1%
Depreciation expenses	9,420		11,377		1,957	20.8%

## 2Q – Factors behind Operating Profit (Y/Y)



## 2Q – Financial Results by Product Classification (Y/Y)

¥ in million	FYE Mar 31, 2024 2Q		FYE Mar 31, 2025 2Q		Change Y/Y	
	Value	Share	Value	Share	Value	Share
Capacitors	51,950	62.7%	58,278	67.2%	6,327	12.2%
Inductors	15,748	19.0%	15,963	18.4%	214	1.4%
Integrated modules & devices	8,326	10.1%	6,097	7.0%	(2,229)	(26.8)%
Others	6,789	8.2%	6,379	7.4%	(409)	(6.0)%
Total net sales	82,814	100.0%	86,718	100.0%	3,903	4.7%

## 2Q – Financial Results by Product Classification (Y/Y)

(¥ in billion)



### ■ Capacitors (+12.2% Y/Y)

Sales increased, mainly for use in information equipment, automobiles and IT infrastructure/industrial equipment.

### ■ Inductors (+1.4% Y/Y)

Sales of products increased for use in consumer products such as wireless earphones and for use in information equipment such as memory modules. Sales of products for use in communication equipment decreased.

### ■ Integrated modules & devices ((26.8)% Y/Y)

Sales of FBAR/SAW devices for communications and circuit modules decreased.

### ■ Others ((6.0)% Y/Y)

Sales of aluminum electrolytic capacitors for use in automobiles and IT infrastructure/industrial equipment decreased.

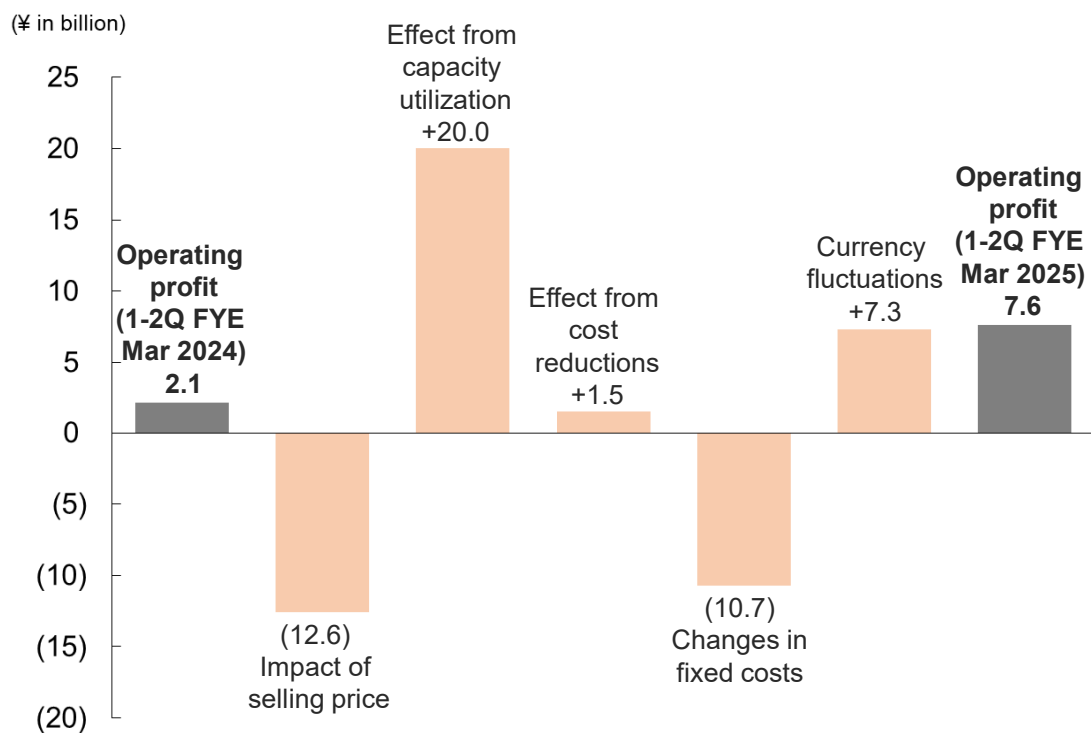
■ Capacitors ■ Inductors ■ Integrated modules & devices ■ Others

## 1-2Q – Consolidated Financial Results (Y/Y)

¥ in million	FYE Mar 31, 2024 1-2Q		FYE Mar 31, 2025 1-2Q		Change Y/Y	
Net sales	155,427	100.0%	167,856	100.0%	12,429	8.0%
Operating profit	2,143	1.4%	7,576	4.5%	5,433	253.5%
Ordinary profit	6,287	4.0%	6,759	4.0%	472	7.5%
Profit attributable to owners of parent	3,400	2.2%	3,567	2.1%	167	4.9%
Yen/USD average exchange rate	138.70 yen		153.65 yen		14.95 yen depreciated	
Impact of exchange rate fluctuation	12.0 billion yen on net sales, 7.3 billion yen on operating profit *Including the impact of currencies other than US dollars					
R&D expenses	6,523		7,328		805	12.3%
Capital investment	35,459		30,081		(5,378)	(15.2)%
Depreciation expenses	18,270		21,926		3,655	20.0%



## 1-2Q – Factors behind Operating Profit (Y/Y)

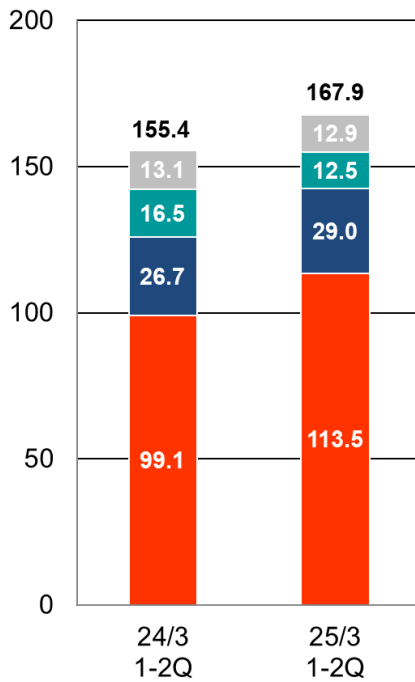


## 1-2Q – Financial Results by Product Classification (Y/Y)

¥ in million	FYE Mar 31, 2024 1-2Q		FYE Mar 31, 2025 1-2Q		Change Y/Y	
	Value	%	Value	%	Value	%
Capacitors	99,084	63.7%	113,470	67.6%	14,386	14.5%
Inductors	26,724	17.2%	28,974	17.3%	2,250	8.4%
Integrated modules & devices	16,509	10.6%	12,485	7.4%	(4,023)	(24.4)%
Others	13,109	8.4%	12,925	7.7%	(183)	(1.4)%
Total net sales	155,427	100.0%	167,856	100.0%	12,429	8.0%

## 1-2Q – Financial Results by Product Classification (Y/Y)

(¥ in billion)



**Capacitors** (+14.5% Y/Y)

Sales increased, mainly for use in information equipment, automobiles and IT infrastructure/ industrial equipment.

**Inductors** (+8.4% Y/Y)

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

**Integrated modules & devices** ((24.4)% Y/Y)

Sales of FBAR/SAW devices for communications and circuit modules decreased.

**Others** ((1.4)% Y/Y)

Sales of aluminum electrolytic capacitors for use in IT infrastructure/industrial equipment decreased.

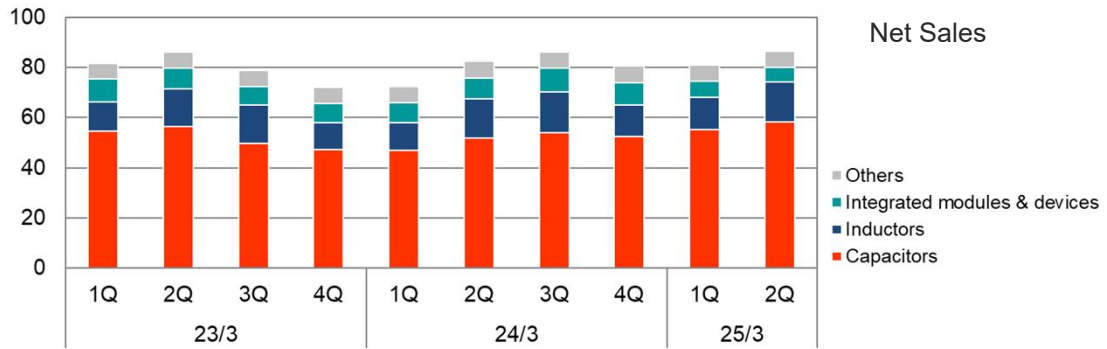
■ Capacitors ■ Inductors ■ Integrated modules & devices ■ Others

## Consolidated Earnings Trends (Quarterly)

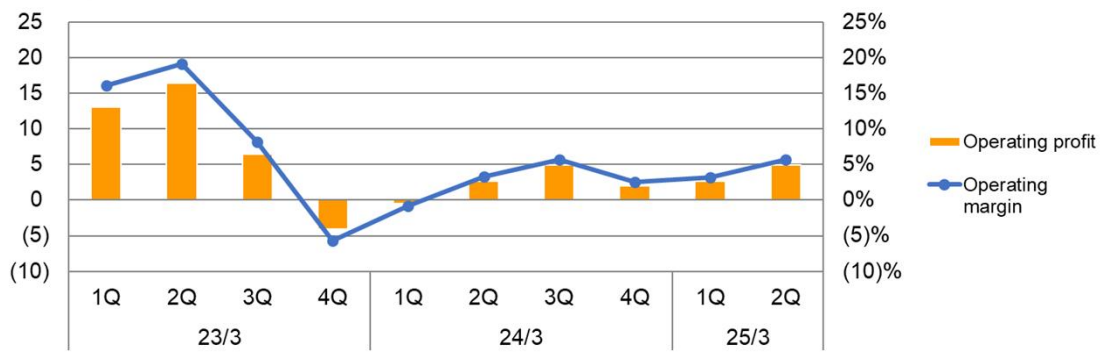
¥ in million	FYE Mar 31, 2023				FYE Mar 31, 2024				FYE Mar 31, 2025	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Net sales	81,740	86,272	79,032	72,458	72,612	82,814	86,386	80,834	81,138	86,718
Capacitors	54,583	56,438	49,867	47,225	47,133	51,950	54,190	52,554	55,192	58,278
Inductors	11,748	15,156	15,212	10,748	10,976	15,748	16,196	12,645	13,011	15,963
Integrated modules & devices	9,159	8,276	7,358	7,786	8,182	8,326	9,641	8,784	6,388	6,097
Others	6,248	6,400	6,594	6,697	6,320	6,789	6,358	6,849	6,546	6,379
Operating profit	13,142	16,475	6,462	(4,100)	(577)	2,721	4,900	2,036	2,630	4,945
Ordinary profit	17,204	18,355	2,572	(3,299)	1,159	5,127	1,169	6,301	8,377	(1,617)
Profit attributable to owners of parent	12,236	12,643	1,972	(3,636)	903	2,497	276	4,641	6,309	(2,741)
Yen/USD average exchange rate	124.45 yen	135.33 yen	144.27 yen	132.75 yen	134.93 yen	142.47 yen	149.10 yen	146.76 yen	153.15 yen	154.14 yen

# Consolidated Earnings Trends (Quarterly)

(¥ in billion)



(¥ in billion)



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## **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**