

Earnings Release Conference

Second quarter for the year ending March 31, 2026

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Director, Senior Executive Operating Officer
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November 6, 2025

Financial Summary

Consolidated 2Q for the Year Ending March 2026

- Net sales were ¥92.8 billion, up 9% Q/Q. Sales increased in all market sectors primarily for use in communication equipment such as smartphones.
- Operating profit was ¥5.9 billion, up 87% Q/Q due to the capacity utilization effect.
- Net sales were in line with the forecast published in August. Operating profit was higher than expected due to the moderate decline in selling prices and other factors.

Consolidated Earnings Forecast for the Year Ending March 2026

- The financial results forecasts published in May have been revised upward.
- The earnings forecasts are for net sales of ¥347.5 billion, up 2% Y/Y, and operating profit of ¥18.0 billion, up 72% Y/Y.

Consolidated Financial Summary for 2Q FYE March 2026

Net sales were ¥92.8 billion, up 9% Q/Q.

Sales increased in all market sectors, including consumer products, information equipment, automotive, and IT infrastructure/industrial equipment, primarily for use in communication equipment, such as smartphones, which was in its peak demand season.

Operating profit was ¥5.9 billion, up 87% Q/Q due to the capacity utilization effect.

Compared with expectations as of August when the results for the first quarter were published, net sales were in line with the forecast, but operating profit was higher than the forecast.

This is because the pace of decline in selling prices was more moderate than expected.

Consolidated Earnings Forecasts for FYE March 2026

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

The earnings forecasts project net sales of ¥347.5 billion, up 2% Y/Y, and operating profit of ¥18.0 billion, up 72% Y/Y.

Consolidated Financial Results

Second quarter for the year ending March 31, 2026

2Q – Consolidated Financial Results (Q/Q)

¥ in million	FYE Mar 31, 2026 1Q (01 Apr 2025 –30 Jun 2025)		FYE Mar 31, 2026 2Q (01 Jul 2025 –30 Sep 2025)		Change Q/Q	
Net sales	84,810	100.0%	92,813	100.0%	8,002	9.4%
Operating profit	3,142	3.7%	5,881	6.3%	2,739	87.2%
Ordinary profit	256	0.3%	7,849	8.5%	7,592	—
Profit attributable to owners of parent	(876)	(1.0)%	6,416	6.9%	7,292	—
Yen/USD average exchange rate	146.18 yen		146.33 yen		0.15 yen depreciated	
Impact of exchange rate fluctuation	+0.3 billion yen on net sales, (0.5) billion yen on operating profit *Including the impact of currencies other than US dollars					
R&D expenses	3,585		3,600		14	0.4%
Capital investment	10,930		8,667		(2,262)	(20.7)%
Depreciation expenses	11,432		12,054		621	5.4%

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4

As previously noted, the financial results for the second quarter of the fiscal year ending March 2026 recorded net sales of ¥92.8 billion, and operating profit of ¥5.9 billion. Since the yen depreciated at the end of the quarter, foreign exchange profit of ¥2.1 billion was recorded as non-operating expenses, resulting in ordinary profit of ¥7.8 billion. Profit attributable to owners of parent was ¥6.4 billion.

The average exchange rate during the period was approximately ¥146 to the U.S. dollar, slightly weaker compared to the previous quarter.

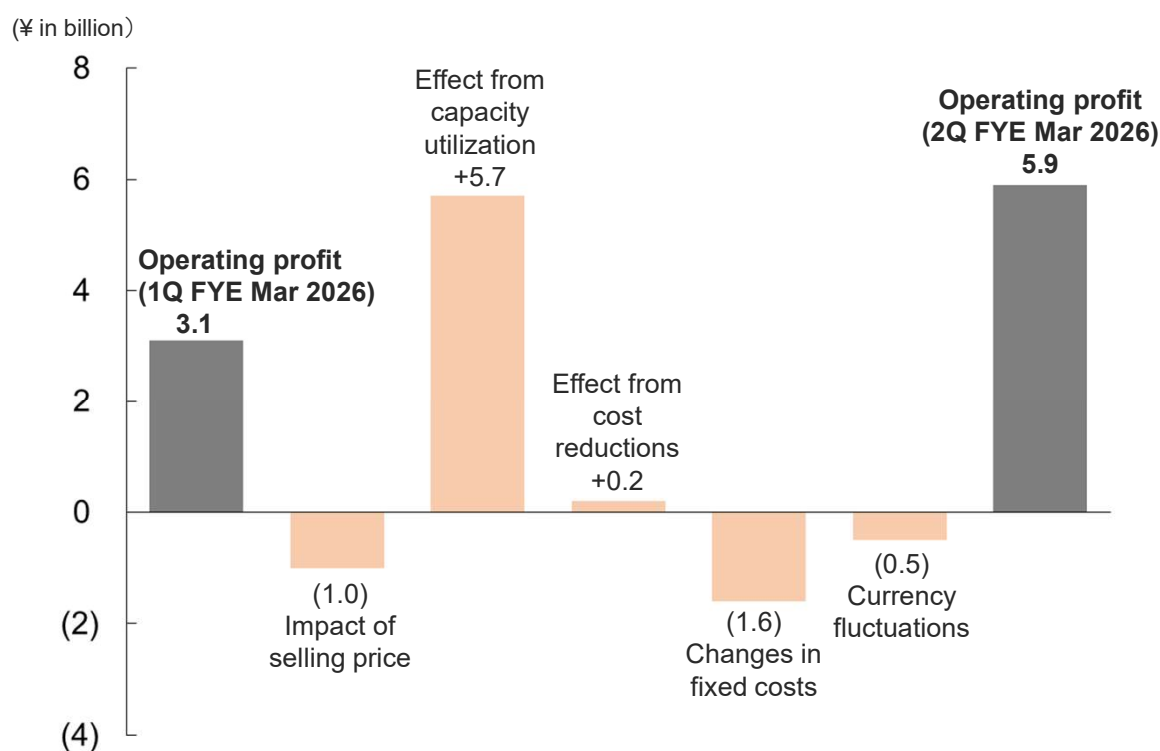
The impact of this was an increase of ¥0.3 billion in net sales. However, there was a negative impact of ¥0.5 billion in operating profit due to higher costs owing to the appreciation of Asian currencies.

R&D expenses were ¥3.6 billion largely in line with the previous quarter.

Capital Investment was ¥8.7 billion, down ¥2.3 billion from the previous quarter.

Depreciation expenses were ¥12.1 billion, up ¥0.6 billion from the previous quarter.

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



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5

The main factor for the increase in operating profit Q/Q was ¥5.7 billion from the effect of 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.

Company-wide inventory as of September 30, 2025 increased ¥0.5 billion from June 30, 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 ¥0.2 billion effect from the cost reductions.

Meanwhile, an increase of fixed costs of ¥1.6 billion and a foreign exchange loss of ¥0.5 billion, due to the appreciation of Asian currencies, pushed profit down.

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

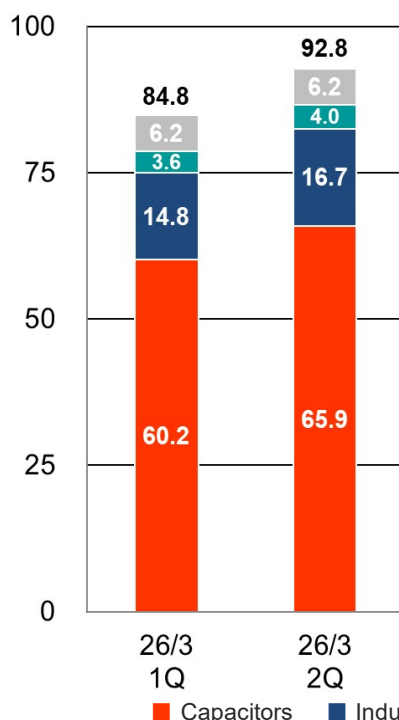
As a result, operating profit was ¥5.9 billion, an increase of ¥2.7 billion Q/Q.

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

¥ in million	FYE Mar 31, 2026 1Q		FYE Mar 31, 2026 2Q		Change Q/Q	
Capacitors	60,197	71.0%	65,908	71.0%	5,710	9.5%
Inductors	14,839	17.5%	16,652	17.9%	1,813	12.2%
Integrated modules & devices	3,608	4.3%	4,031	4.3%	422	11.7%
Others	6,164	7.3%	6,220	6.7%	55	0.9%
Total net sales	84,810	100.0%	92,813	100.0%	8,002	9.4%

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

(¥ in billion)



■ Capacitors (+9.5% Q/Q)

Sales increased for all applications including communication equipment, automotive, and IT infrastructure/industrial equipment.

■ Inductors (+12.2% Q/Q)

Sales increased for consumer products and automotive, particularly in communications equipment such as smartphones.

■ Integrated modules & devices (+11.7% Q/Q)

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

■ Others (+0.9% Q/Q)

■ Capacitors ■ Inductors ■ Integrated modules & devices ■ Others

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7

Net sales of capacitors were ¥65.9 billion, up 10% Q/Q.

Sales increased in all market sectors, primarily for use in communication equipment, automotive, and IT infrastructure/Industrial equipment.

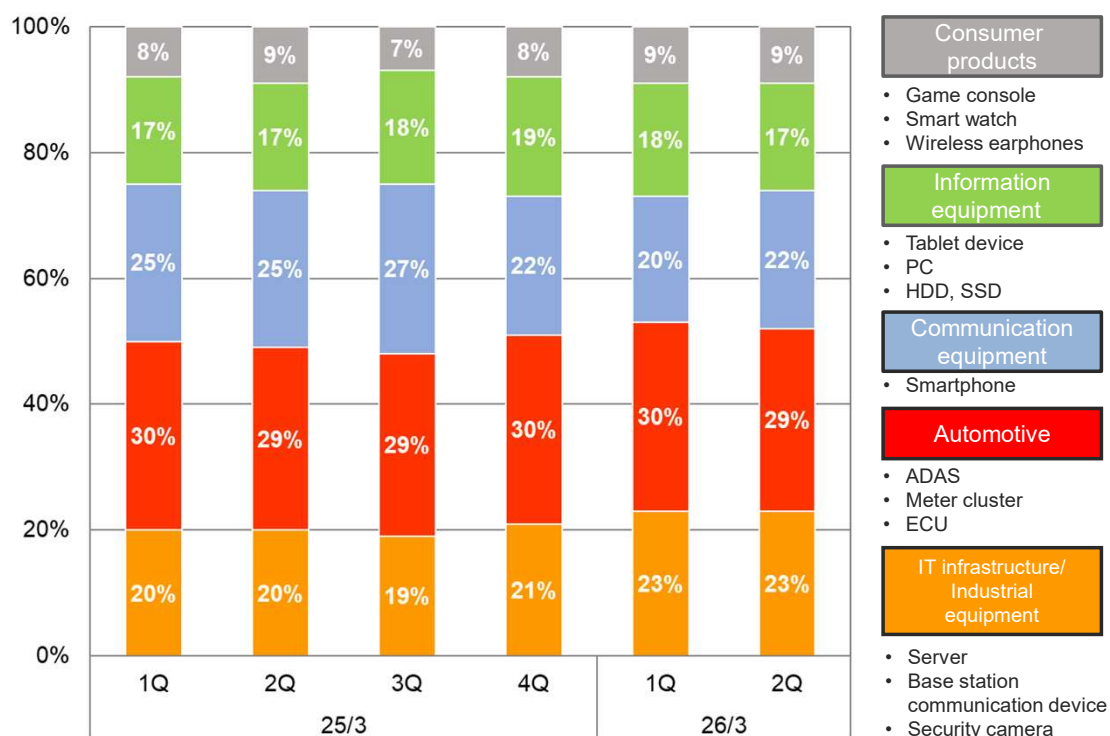
Capacity utilization for capacitors was approximately 85-90% in the second quarter.

Net sales of inductors were ¥16.7 billion, up 12% Q/Q.

Sales also increased in consumer products and automotive, particularly for use in communication equipment, such as smartphones, which were in its peak demand season.

Meanwhile, sales of integrated modules & devices were up 12% Q/Q, others were up 1% Q/Q.

Sales by Market Sector



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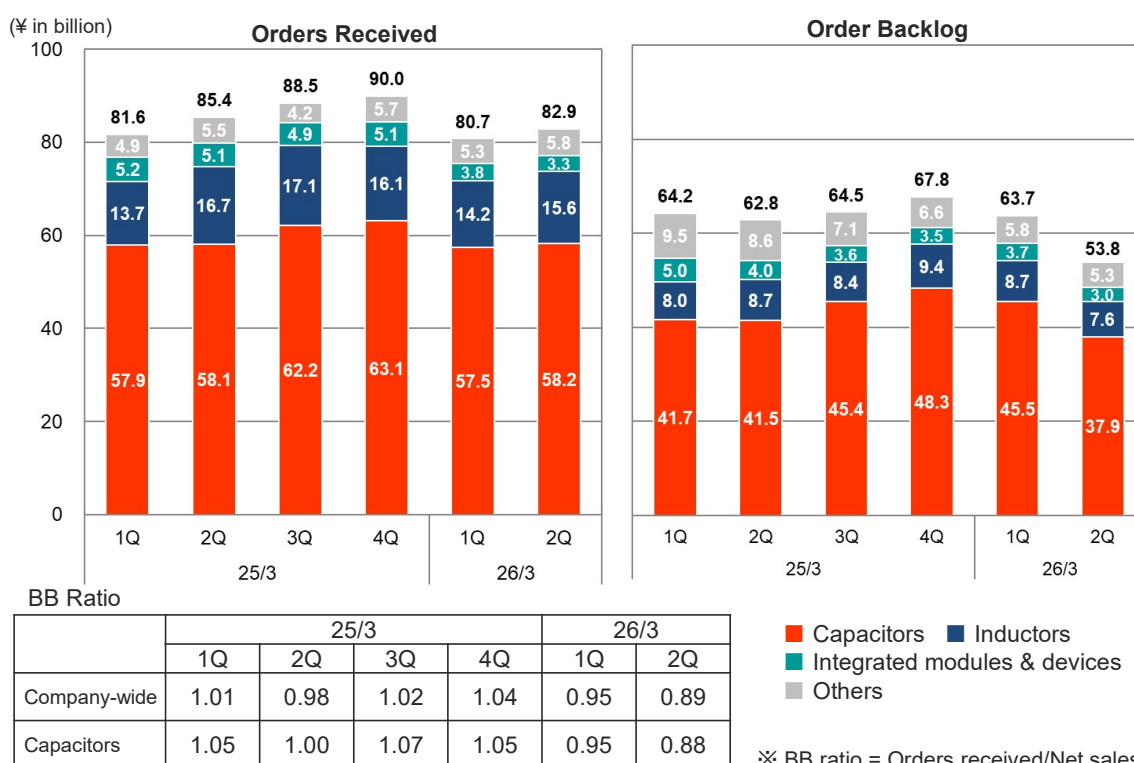
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※Estimated by the Company

8

Due to the seasonal increase in demand for smartphones, sales for use in communication equipment were 22%, up 2 percentage points in the composition of sales. Other than that, there were no major changes in the composition of sales, as sales for IT infrastructure/Industrial equipment was 23%, sales for automotive use were 29%, and sales for information equipment were 17%, sales for consumer products were 9%.

Orders Received and Order Backlog



Orders received for all TAIYO YUDEN products in the second quarter were ¥82.9 billion, up 3% from the previous quarter.

Orders received for capacitors also increased from the previous quarter to ¥58.2 billion, up 1% from the previous quarter.

The book-to-bill (BB) ratio representing the ratio of orders received to net sales decreased to 0.89 for all our products and 0.88 for capacitors as orders fell below sales for both.

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

Consolidated Earnings Forecast for FYE March 2026

¥ in million	FYE Mar 31, 2025		FYE Mar 31, 2026 Forecast of May 9		FYE Mar 31, 2026 Forecast of November 7		Change			
							Y/Y		vs Previous forecast	
Net sales	341,438	100.0%	340,000	100.0%	347,500	100.0%	6,062	1.8%	7,500	2.2%
Operating profit	10,459	3.1%	16,000	4.7%	18,000	5.2%	7,541	72.1%	2,000	12.5%
Ordinary profit	10,517	3.1%	15,000	4.4%	15,000	4.3%	4,483	42.6%	0	0.0%
Profit attributable to owners of parent	2,328	0.7%	8,000	2.4%	9,000	2.6%	6,672	286.6%	1,000	12.5%
Yen/USD average exchange rate	152.61 yen		140.00 yen		147.13 yen		5.48 yen appreciated		7.13 yen depreciated	
Impact of exchange rate fluctuation	Change Y/Y: (9.8) billion yen on net sales, (7.1) billion yen on operating profit Change vs previous forecast: +14.5 billion yen on net sales, +4.2 billion yen on operating profit *Including the impact of currencies other than US dollars									
R&D expenses	15,042		15,500		15,500		458	3.0%	0	0.0%
Capital investment	64,158		46,000		46,000		(18,158)	(28.3)%	0	0.0%
Depreciation expenses	46,258		48,000		48,000		1,742	3.8%	0	0.0%

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11

As mentioned at the beginning of the presentation, the financial results forecasts published in May have been revised upward.

The revised financial results forecasts are for net sales of ¥347.5 billion, operating profit of ¥18.0 billion, ordinary profit of ¥15.0 billion, and profit attributable to owners of parent of ¥9.0 billion, with Y/Y growth expected for both sales and profit.

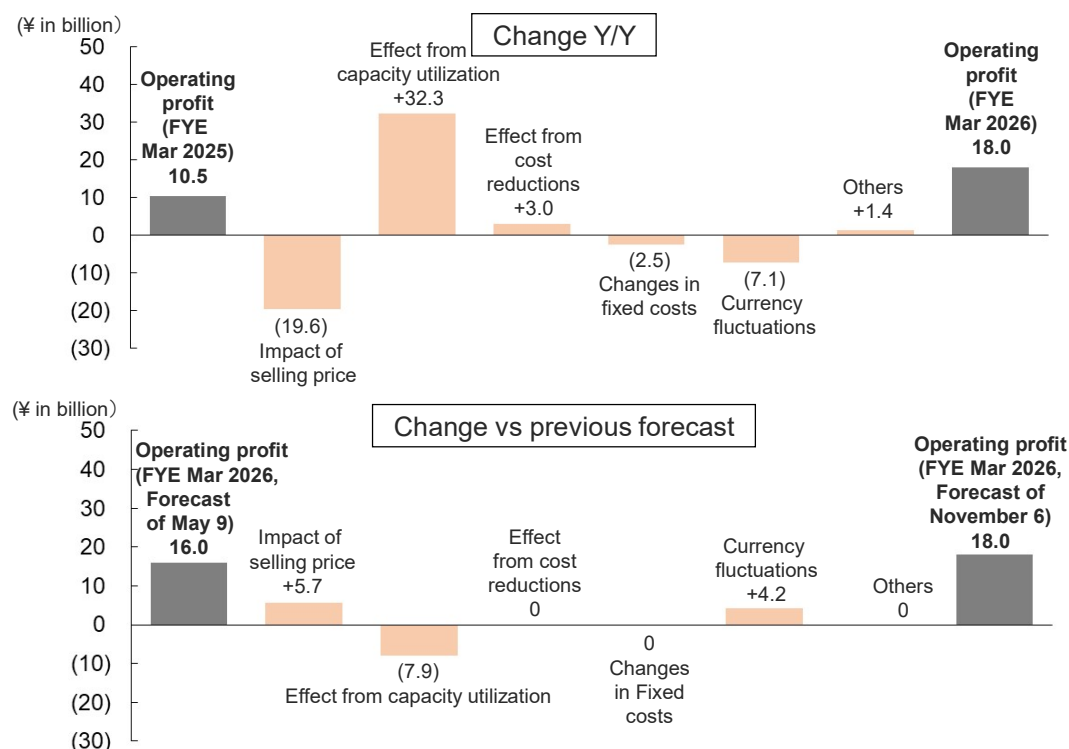
The main reason for revising the financial results forecasts is that the decline in selling prices is expected to be slower than initially expected.

The exchange rate assumption for the initial forecast was US\$1:¥140. However, the revision of the exchange rate assumption to the US\$1:¥147 level following the yen's depreciation has pushed up the financial results forecast.

The assumed exchange rate is US\$1:¥148 for the third quarter onward.

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

Forecast of Factors behind Operating Profit for FYE March 2026



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12

The factors for Y/Y increase and decrease in the operating profit forecast are shown in the graph above.

Factors for increase in profit, including the capacity utilization effect and the effect from cost reductions, outweigh factors for decrease in profit, including decline in selling prices, currency fluctuations, and increases in fixed costs, which is expected to increase operating profit by ¥7.5 billion.

Please see the graph below for the changes from the previous forecast.

As price reductions have been more moderate than expected, the ¥5.7 billion impact of selling prices will likely contribute to increase in profit.

Another factor for increase in profit is expected to be the ¥4.2 billion effect of currency fluctuations due to the depreciation of the yen.

On the other hand, the impact of capacity utilization will be a factor for decrease in profit of ¥7.9 billion, as we expect sales volume will fall short of initial mainly in Integrated modules. Under the initial plan, we intended to increase inventory by ¥6.0 billion from the end of the previous fiscal year by the end of the current fiscal year. However, it is expected that growth in demand for electronic components, including the multilayer ceramic capacitors (MLCCs) used in AI servers and automobiles, will continue into next fiscal year and beyond, so we have raised this figure to ¥8.0 billion.

We plan to increase inventory by ¥6.0 billion from the end of September by the end of March in the current fiscal year.

Forecast by Product Classification for FYE March 2026

¥ in million	FYE Mar 31, 2025		FYE Mar 31, 2026 Forecast of May 9		FYE Mar 31, 2026 Forecast of November 6		Change			
							Y/Y		vs Previous forecast	
Capacitors	232,066	68.0%	240,000	70.6%	248,000	71.4%	15,934	6.9%	8,000	3.3%
Inductors	61,546	18.0%	60,000	17.6%	60,300	17.4%	(1,246)	(2.0)%	300	0.5%
Integrated modules & devices	22,986	6.7%	16,000	4.7%	14,800	4.3%	(8,186)	(35.6)%	(1,200)	(7.5)%
Others	24,838	7.3%	24,000	7.1%	24,400	7.0%	(438)	(1.8)%	400	1.7%
Total net sales	341,438	100.0%	340,000	100.0%	347,500	100.0%	6,062	1.8%	7,500	2.2%

The forecast by product classification is as shown in the table.
We lowered the forecast for sales of integrated modules & devices from the previous forecast as they are significantly impacted by sluggish demand for high-end Chinese smartphone models, but we increased the forecast sales amount for capacitors and other components. As a result, total sales are forecast to increase by 2% Y/Y.

3Q - Forecast by Product Classification

¥ in million	FYE Mar 31, 2026 2Q	FYE Mar 31, 2026 3Q Forecast (Q/Q)
Capacitors	65,908	(9~5)%
Inductors	16,652	(9~5)%
Integrated modules & devices	4,031	(8~4)%
Others	6,220	(4) ~±0%
Total net sales	92,813	(9~4)%
Yen/USD average exchange rate	146.33 yen	(Assumption) 148.00 yen

The forecast by product classification in the third quarter is as shown in the table.

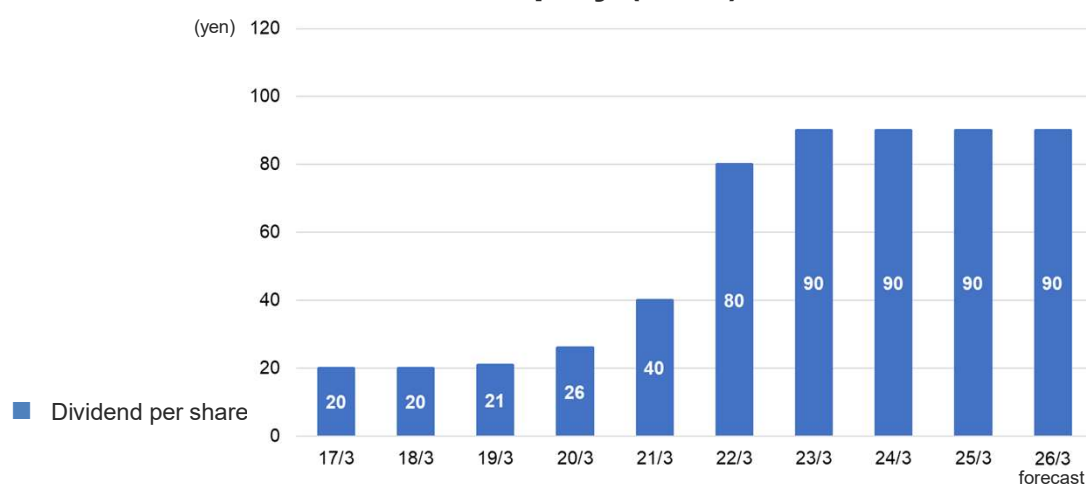
As sales up to the second quarter appear to have included some front-loaded demand, we expect sales of capacitors will pull back and decrease by 5–9% Q/Q, with lower sales for all applications.

Sales of other products are also expected to decline. As a result, total sales are expected to decrease by 4–9% Q/Q.

The assumed exchange rate for the third quarter is US\$1:¥148.

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	125.1
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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15

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

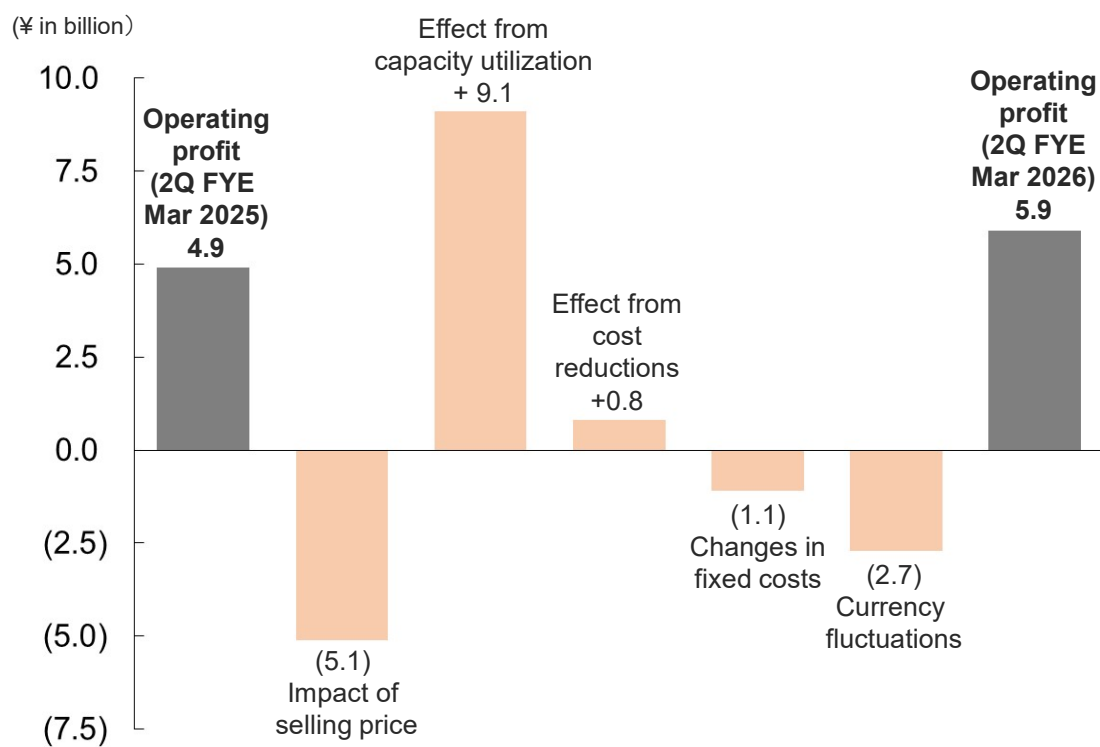
We will continue working to realize stable dividend growth through an increase in profit per share, using a dividend payout ratio of 30% and a DOE of 3.5% as our indicators for shareholder returns.

Supplementary Information

2Q – Consolidated Financial Results (Y/Y)

¥ in million	FYE Mar 31, 2025 2Q		FYE Mar 31, 2026 2Q		Change Y/Y	
Net sales	86,718	100.0%	92,813	100.0%	6,095	7.0%
Operating profit	4,945	5.7%	5,881	6.3%	936	18.9%
Ordinary profit	(1,617)	(1.9)%	7,849	8.5%	9,467	—
Profit attributable to owners of parent	(2,741)	(3.2)%	6,416	6.9%	9,158	—
Yen/USD average exchange rate	154.14 yen		146.33 yen		7.81 yen appreciated	
Impact of exchange rate fluctuation	(3.7) billion yen on net sales, (2.7) billion yen on operating profit *Including the impact of currencies other than US dollars					
R&D expenses	3,687		3,600		(86)	(2.3)%
Capital investment	15,100		8,667		(6,432)	(42.6)%
Depreciation expenses	11,377		12,054		677	6.0%

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



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

¥ in million	FYE Mar 31, 2025 2Q		FYE Mar 31, 2026 2Q		Change Y/Y	
Capacitors	58,278	67.2%	65,908	71.0%	7,630	13.1%
Inductors	15,963	18.4%	16,652	17.9%	689	4.3%
Integrated modules & devices	6,097	7.0%	4,031	4.3%	(2,065)	(33.9)%
Others	6,379	7.4%	6,220	6.7%	(159)	(2.5)%
Total net sales	86,718	100.0%	92,813	100.0%	6,095	7.0%

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

(¥ in billion)



Capacitors (+13.1% Y/Y)

Sales increased, mainly for use in automobiles and IT infrastructure/industrial equipment such as AI servers.

Inductors (+4.3% Y/Y)

Sales increased, mainly for use in information equipment including memory modules.

Integrated modules & devices ((33.9)% Y/Y)

Circuit module sales declined significantly due to business selection and concentration. Communication devices (FBAR/SAW) also decreased.

Others ((2.5)% Y/Y)

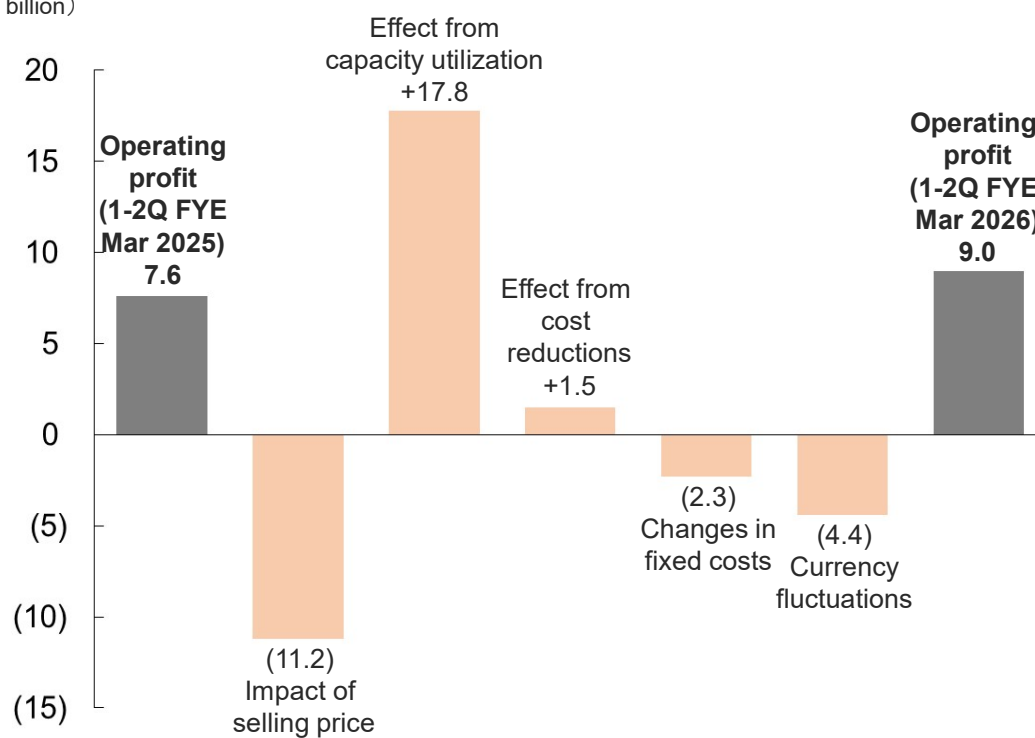
Capacitors Inductors Integrated modules & devices Others

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

¥ in million	FYE Mar 31, 2025 1-2Q		FYE Mar 31, 2026 1-2Q		Change Y/Y	
Net sales	167,856	100.0%	177,624	100.0%	9,767	5.8%
Operating profit	7,576	4.5%	9,024	5.1%	1,447	19.1%
Ordinary profit	6,759	4.0%	8,106	4.6%	1,346	19.9%
Profit attributable to owners of parent	3,567	2.1%	5,540	3.1%	1,972	55.3%
Yen/USD average exchange rate	153.65 yen		146.26 yen		7.39 yen appreciated	
Impact of exchange rate fluctuation	(6.8) billion yen on net sales, (4.4) billion yen on operating profit *Including the impact of currencies other than US dollars					
R&D expenses	7,328		7,186		(142)	(1.9)%
Capital investment	30,081		19,598		(10,483)	(34.8)%
Depreciation expenses	21,926		23,487		1,560	7.1%

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

(¥ in billion)

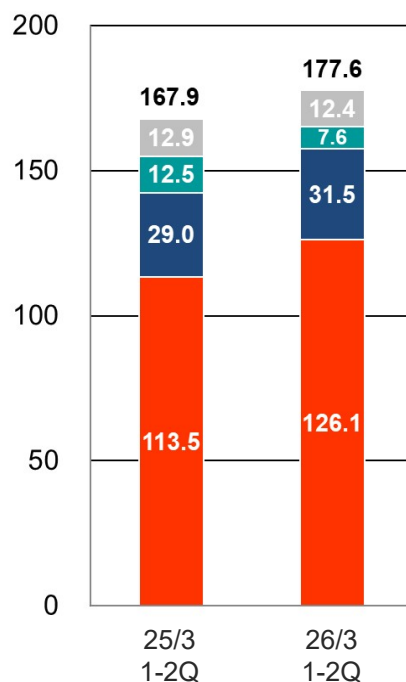


1-2Q – Financial Results by Product Classification (Y/Y)

¥ in million	FYE Mar 31, 2025 1-2Q		FYE Mar 31, 2026 1-2Q		Change Y/Y	
Capacitors	113,470	67.6%	126,106	71.0%	12,635	11.1%
Inductors	28,974	17.3%	31,492	17.7%	2,518	8.7%
Integrated modules & devices	12,485	7.4%	7,640	4.3%	(4,844)	(38.8)%
Others	12,925	7.7%	12,384	7.0%	(541)	(4.2)%
Total net sales	167,856	100.0%	177,624	100.0%	9,767	5.8%

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

(¥ in billion)



Capacitors

(+11.1% Y/Y)

Sales increased, mainly for use in automobiles and IT infrastructure/industrial equipment such as AI servers.

Inductors

(+8.7% Y/Y)

Sales increased, mainly for use in information equipment including memory modules.

Integrated modules & devices

((38.8)% Y/Y)

Circuit module sales declined significantly due to business selection and concentration. Communication devices (FBAR/SAW) also decreased.

Others

((4.2)% Y/Y)

Sales of aluminum electrolytic capacitors decreased.

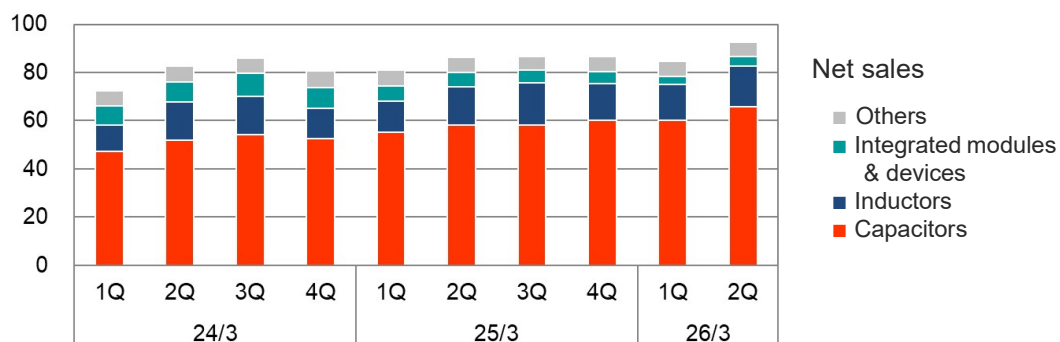
Capacitors Inductors Integrated modules & devices Others

Consolidated Earnings Trends (Quarterly)

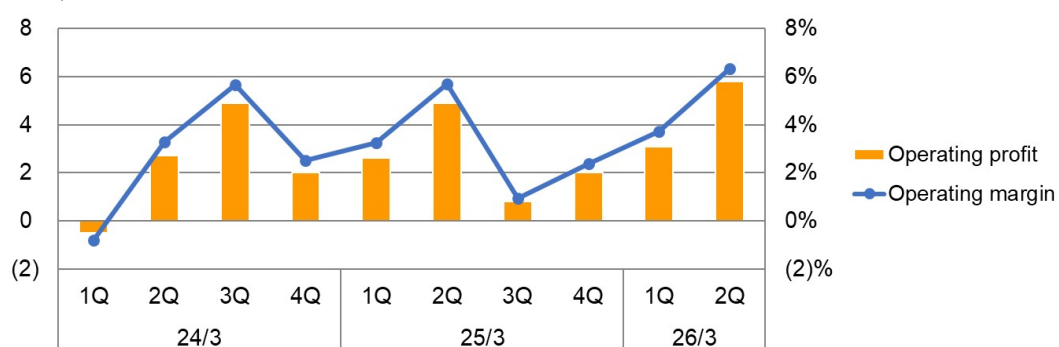
¥ in million	FYE Mar 31, 2024				FYE Mar 31, 2025				FYE Mar 31, 2026	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Net sales	72,612	82,814	86,386	80,834	81,138	86,718	86,868	86,713	84,810	92,813
Capacitors	47,133	51,950	54,190	52,554	55,192	58,278	58,317	60,277	60,197	65,908
Inductors	10,976	15,748	16,196	12,645	13,011	15,963	17,471	15,100	14,839	16,652
Integrated modules & devices	8,182	8,326	9,641	8,784	6,388	6,097	5,363	5,137	3,608	4,031
Others	6,320	6,789	6,358	6,849	6,546	6,379	5,714	6,197	6,164	6,220
Operating profit	(577)	2,721	4,900	2,036	2,630	4,945	825	2,057	3,142	5,881
Ordinary profit	1,159	5,127	1,169	6,301	8,377	(1,617)	6,925	(3,167)	256	7,849
Profit attributable to owners of parent	903	2,497	276	4,641	6,309	(2,741)	4,598	(5,837)	(876)	6,416
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	146.33 yen

Consolidated Earnings Trends (Quarterly)

(¥ in billion)



(¥ in billion)



Consolidated Financial Position

¥ in million	As of March 31, 2025	As of September 30, 2025	Change
Cash and deposits	78,166	90,632	12,466
Total assets	573,188	593,248	20,060
Interest-bearing liabilities	164,401	170,527	6,125
Total liabilities	254,017	268,695	14,678
Total net assets	319,171	324,553	5,382
Equity-to-asset ratio	55.6%	54.7%	—
Net cash	(86,235)	(79,894)	6,340
D/E ratio	0.52	0.53	—

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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