

Earnings Release Conference

First quarter for the year ending March 31, 2025

Tomomitsu Fukuda
Chief of Management Planning Headquarters
August 7, 2024

Financial Summary

Consolidated 1Q for the Year Ending March 2025

- Net sales were ¥81.1 billion, nearly the same level as in the previous quarter.
- Although sales increased for use in information equipment, such as tablets, and IT infrastructure/industrial equipment, such as servers, sales decreased for use in communication equipment, primarily smartphones.
- Net sales exceeded the expected level in the May forecast. Net sales were largely in line with expectations, excluding the impact of foreign exchange due to the depreciation of the yen.
- Operating profit was ¥2.6 billion, up 29% Q/Q.

Consolidated Earnings Forecast for the Year Ending March 2025

- There are no changes to the earnings forecasts.
- The earnings forecasts are for net sales of ¥350.0 billion, up 9% Y/Y, and operating profit of ¥20.0 billion, up 120% Y/Y.

Consolidated Financial Summary for 1Q FYE March 2025

Net sales were 81.1 billion yen, in line with the previous quarter.

Sales increased for use in information equipment, such as tablets and laptop PCs, and IT infrastructure/industrial equipment, such as servers.

On the other hand, sales of products for use in communication equipment, typically smartphones, decreased.

In the forecast as of May, net sales for 1Q were projected to be lower Q/Q, but actual net sales were higher than expected.

The main factor was the depreciation of the yen, and net sales were largely in line with expectations on the real base, excluding the impact of foreign exchange.

Operating profit was 2.6 billion yen, up 29% from the previous quarter.

Consolidated Earnings Forecasts for FYE March 2025

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

TAIYO YUDEN will aim for net sales up 9% Y/Y to 350.0 billion yen and operating profit up 120% to 20.0 billion yen.

Consolidated Financial Results

First quarter for the year ending March 31, 2025

Consolidated Financial Results (Q/Q)

¥ in million	FYE Mar 31, 2024 4Q (01 Jan 2024 –31 Mar 2024)		FYE Mar 31, 2025 1Q (01 Apr 2024 –30 Jun 2024)		Change Q/Q	
Net sales	80,834	100.0%	81,138	100.0%	304	0.4%
Operating profit	2,036	2.5%	2,630	3.2%	594	29.2%
Ordinary profit	6,301	7.8%	8,377	10.3%	2,075	32.9%
Profit attributable to owners of parent	4,641	5.7%	6,309	7.8%	1,668	35.9%
Yen/USD average exchange rate	146.76 yen		153.15 yen		6.39 yen depreciated	
Impact of exchange rate fluctuation	2.5 billion yen on net sales, 1.4 billion yen on operating profit *Including the impact of currencies other than US dollars					
R&D expenses	3,726		3,641		(84)	(2.3)%
Capital investment	24,008		14,980		(9,027)	(37.6)%
Depreciation expenses	10,899		10,548		(350)	(3.2)%
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The financial results for the first quarter of the fiscal year ending March 2025 recorded net sales of 81.1 billion yen, operating profit of 2.6 billion yen.

Since the yen depreciated to US\$1:¥161 level at the end of the quarter, foreign exchange gains of 5.4 billion yen was recorded as non-operating income, resulting in ordinary profit of 8.4 billion yen.

Profit attributable to owners of parent was 6.3 billion yen.

The average exchange rate during the quarter was US\$1:¥153 level, a depreciation of approximately ¥6 from the fourth quarter of the previous fiscal year.

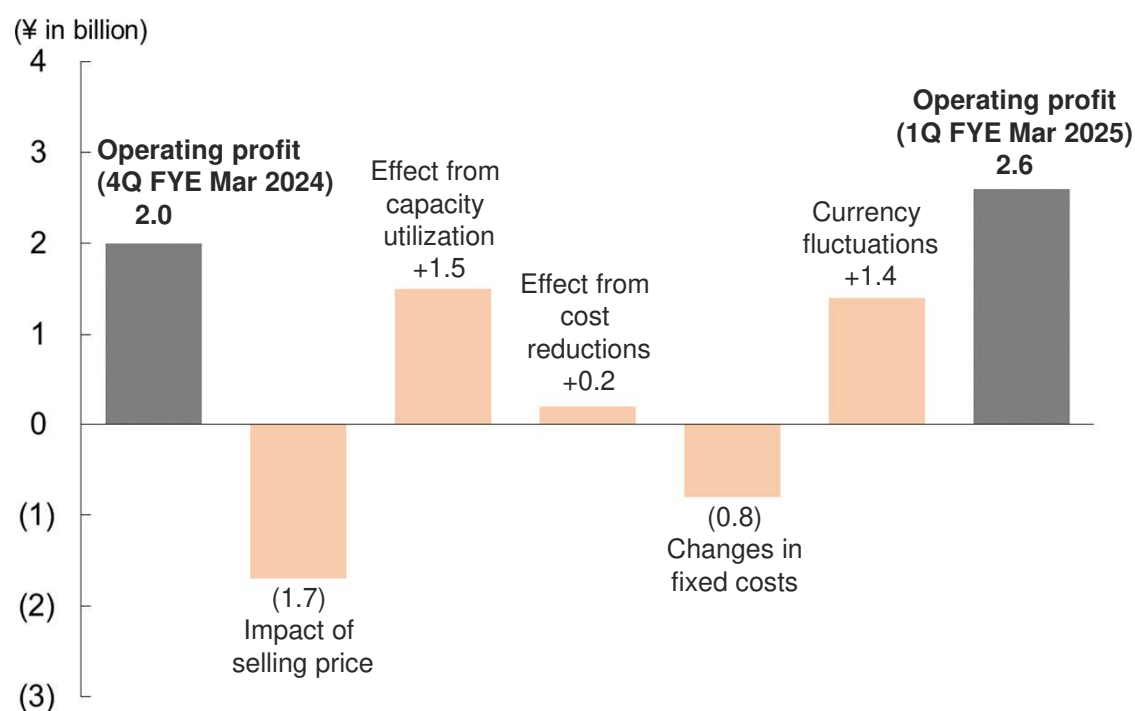
The impact from this was an increase of 2.5 billion yen in net sales and an increase of 1.4 billion yen in operating profit.

R&D expenses were 3.6 billion yen, practically the same Q/Q.

Capital investment was 15.0 billion yen, a decrease of 9.0 billion yen Q/Q, when expenses for facility related cost of new plants were recorded.

Depreciation expenses were 10.5 billion yen, down 0.4 billion yen Q/Q.

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. The effect from capacity utilization in the first quarter was 1.5 billion yen, due to an increase in inventory in readiness for a period of seasonal demand. Company-wide inventory as of June 30, 2024 increased 4.5 billion yen from March 31, 2024 on the actual basis excluding the portion with no effect on operating profit, such as the impact of exchange rates.

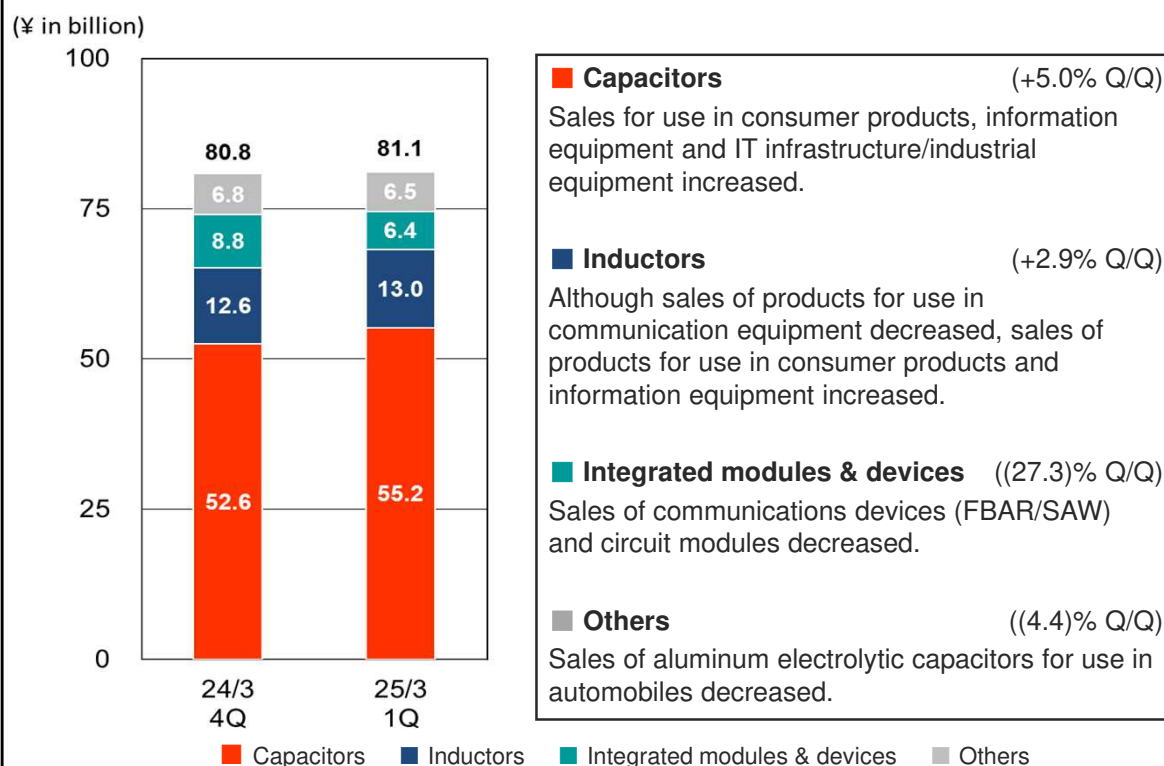
Other factors for increase in operating profit were the 1.4 billion yen effect of exchange rates due to the depreciation of the yen and 0.2 billion yen impact of lower costs.

Although the 1.7 billion yen effect of selling prices and the 0.8 billion yen increase in fixed costs were factors for decrease in profit, operating profit was 2.6 billion yen, an increase of 0.6 billion yen Q/Q.

Financial Results by Product Classification (Q/Q)

¥ in million	FYE Mar 31, 2024 4Q		FYE Mar 31, 2025 1Q		Change Q/Q	
Capacitors	52,554	65.0%	55,192	68.0%	2,638	5.0%
Inductors	12,645	15.6%	13,011	16.0%	365	2.9%
Integrated modules & devices	8,784	10.9%	6,388	7.9%	(2,395)	(27.3)%
Others	6,849	8.5%	6,546	8.1%	(303)	(4.4)%
Total net sales	80,834	100.0%	81,138	100.0%	304	0.4%

Financial Results by Product Classification (Q/Q)



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Net sales of capacitors were 55.2 billion yen, up 5% Q/Q.

Sales of products for use in consumer products, such as wireless earphones, information equipment, such as tablets, and IT infrastructure/industrial equipment, such as servers, increased.

Capacity utilization for capacitors was just under 80% in the first quarter.

Net sales of inductors were 13.0 billion yen, up 3% Q/Q.

Although sales decreased for use in communication equipment, such as smartphones, sales increased for use in consumer products and information equipment, the same as capacitors.

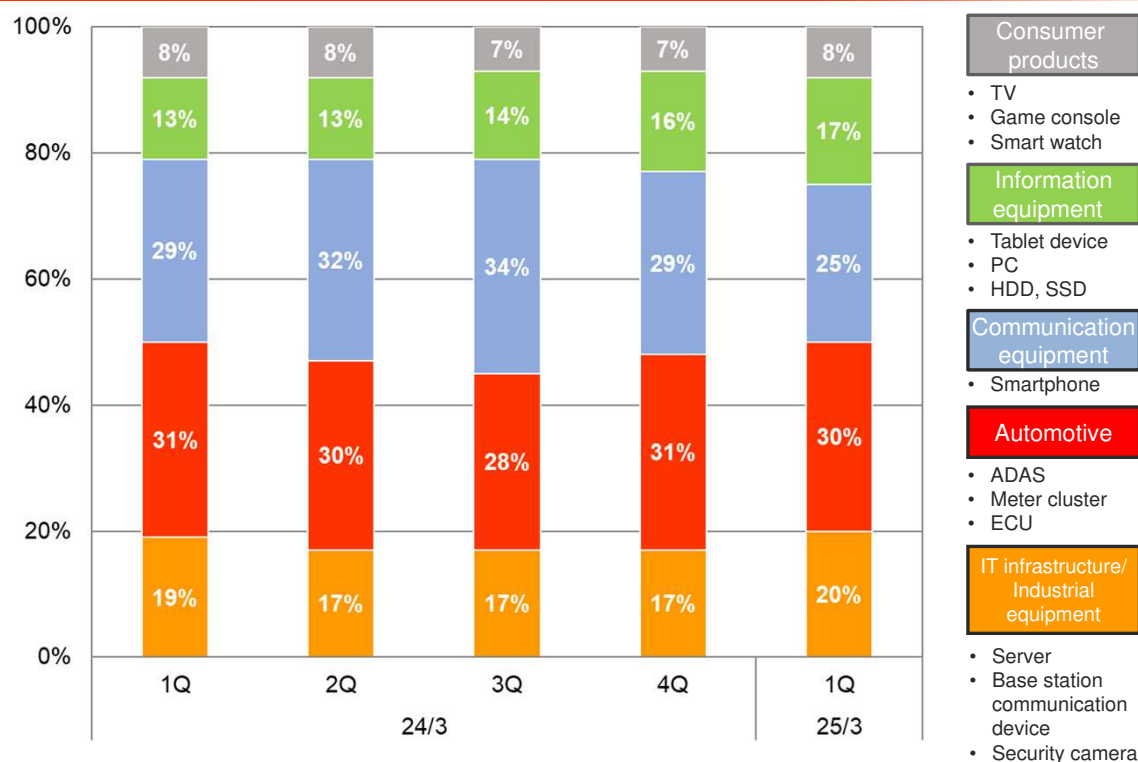
Meanwhile, sales of integrated modules & devices were 6.4 billion yen, down 27% Q/Q.

In addition to communications devices (FBAR/SAW) for use in Chinese smartphones where demand was sluggish, sales of circuit modules, where TAIYO YUDEN is implementing business selection and concentration, declined.

Communication devices accounted for 75-80% of integrated module & device sales.

Net sales of others were 6.5 billion yen, down 4% Q/Q, due to the decrease in sales of aluminum electrolytic capacitors by our subsidiary ELNA for use in automobiles.

Sales by Market Sector



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※Estimated by the Company

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Led by growth in demand for products for use in servers, composition of sales for use in IT infrastructure/industrial equipment increased 3 percentage points to 20%. Composition of sales for use in information equipment, where sales of products for tablets and laptop PCs were strong, also increased to 17%, up 1 percentage point.

Meanwhile composition of sales for use in communication equipment was 25%, down 4 percentage points, due to the slowdown in Chinese smartphones.

In addition, there were no major changes in the composition of sales as sales for use in automobiles were 30%, and sales for use in consumer products were 8%.

Orders Received and Order Backlog



Orders received for all TAIYO YUDEN products in the first quarter were 81.6 billion yen, up 10% from the previous quarter.

Orders received for capacitors were 57.9 billion yen, up 13% Q/Q.

The book-to-bill (BB) ratio representing the ratio of orders received to net sales increased to 1.01 for all TAIYO YUDEN products and 1.05 for capacitors.

The order backlog also increased 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

Full-Year Forecast

¥ in million	FYE Mar 31, 2024		FYE Mar 31, 2025 Forecast		Change Y/Y	
Net sales	322,647	100.0%	350,000	100.0%	27,353	8.5%
Operating profit	9,079	2.8%	20,000	5.7%	10,921	120.3%
Ordinary profit	13,757	4.3%	16,500	4.7%	2,743	19.9%
Profit attributable to owners of parent	8,317	2.6%	11,000	3.1%	2,683	32.2%
Yen/USD average exchange rate	143.32 yen		145.00 yen		1.68 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%

There are no changes to the forecasts published in May.

2Q - Forecast by Product Classification

¥ in million	FYE Mar 31, 2025 1Q	FYE Mar 31, 2025 2Q Forecast (Q/Q)
Capacitors	55,192	+11%~+15%
Inductors	13,011	+17%~+21%
Integrated modules & devices	6,388	(5)%~(1)%
Others	6,546	(5)%~(1)%
Total net sales	81,138	+9%~+14%
Yen/USD average exchange rate	153.15 yen	(Assumption) 155.00 yen

First, in terms of the demand outlook for each market, we expect that demand for products for use in IT infrastructure/industrial equipment will continue to grow, led by AI servers.

Demand for components used in automobiles, which was sluggish in the first quarter, will likely continue its robust expansion as xEVs, such as hybrid vehicles, become more widespread and the functionality of advanced driver assistance systems (ADAS) increases.

As for communication equipment, while North American manufacturers will enter a period of seasonal demand, we expect that demand for use in Chinese smartphones will remain sluggish in the second quarter.

Market inventory adjustments of products for use in information equipment, which includes laptop PCs, were completed in FYE March 2024. We believe demand will improve onward.

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

We expect increases of 11 – 15% Q/Q in capacitor sales, and sales increased for all applications especially for use in information equipment and IT infrastructure/industrial equipment.

We expect increases of 17 – 21% in inductor sales.

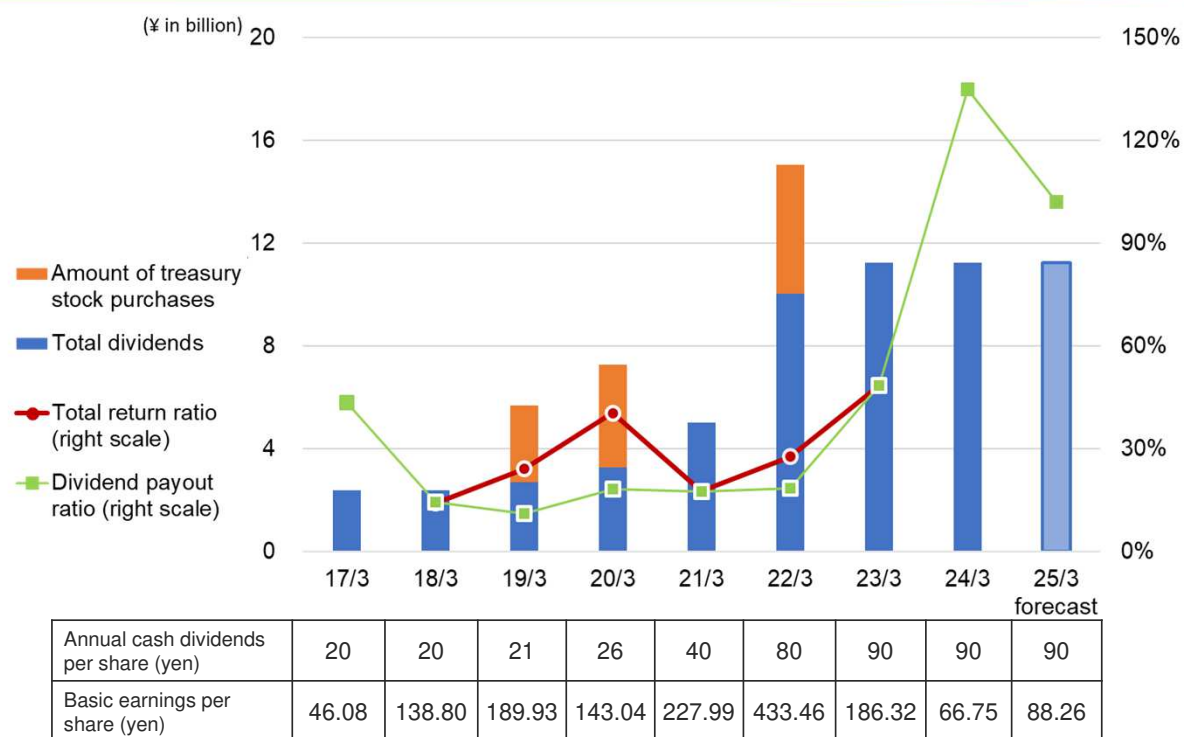
On the other hand, we expect sales of integrated modules & devices and others will be decline slightly Q/Q.

Total sales are forecast to increase 9 – 14% Q/Q.

The assumed exchange rate for the second quarter is US\$1:¥155.

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



Aim to achieve a stable dividend payout ratio of 30%

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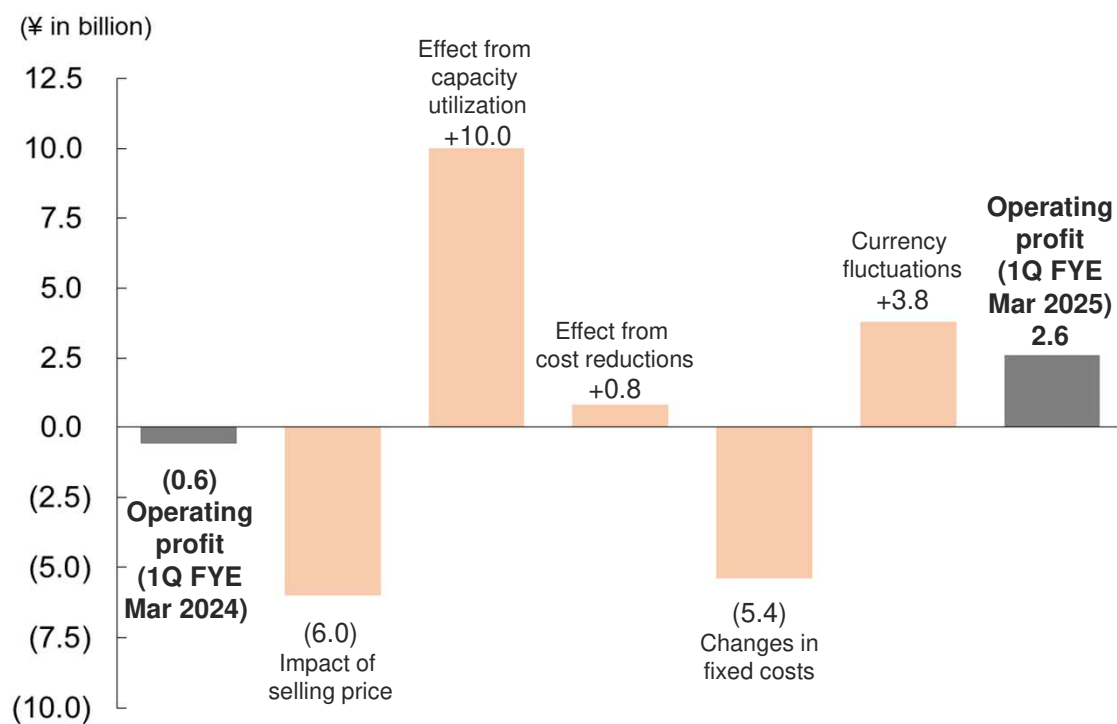
TAIYO YUDEN plans to pay an annual dividend of 90 yen per share in FYE March 2025, consisting of an interim dividend of 45 yen per share and a year-end dividend of 45 yen per share, the same as in FYE March 2024.

Supplementary Information

Consolidated Financial Results (Y/Y)

¥ in million	FYE Mar 31, 2024 1Q		FYE Mar 31, 2025 1Q		Change Y/Y	
Net sales	72,612	100.0%	81,138	100.0%	8,525	11.7%
Operating profit	(577)	(0.8)%	2,630	3.2%	3,208	—
Ordinary profit	1,159	1.6%	8,377	10.3%	7,217	622.6%
Profit attributable to owners of parent	903	1.2%	6,309	7.8%	5,406	598.6%
Yen/USD average exchange rate	134.93 yen		153.15 yen		18.22 yen depreciated	
Impact of exchange rate fluctuation	6.9 billion yen on net sales, 3.8 billion yen on operating profit * Including the impact of currencies other than US dollars					
R&D expenses	3,169		3,641		471	14.9%
Capital investment	25,968		14,980		(10,987)	(42.3)%
Depreciation expenses	8,850		10,548		1,697	19.2%

Factors behind Operating Profit (Y/Y)



Financial Results by Product Classification (Y/Y)

¥ in million	FYE Mar 31, 2024 1Q		FYE Mar 31, 2025 1Q		Change Y/Y	
Capacitors	47,133	64.9%	55,192	68.0%	8,058	17.1%
Inductors	10,976	15.1%	13,011	16.0%	2,035	18.5%
Integrated modules & devices	8,182	11.3%	6,388	7.9%	(1,794)	(21.9)%
Others	6,320	8.7%	6,546	8.1%	226	3.6%
Total net sales	72,612	100.0%	81,138	100.0%	8,525	11.7%

Financial Results by Product Classification (Y/Y)

(¥ in billion)



Capacitors (+17.1% Y/Y)

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

Inductors (+18.5% Y/Y)

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

Integrated modules & devices ((21.9)% Y/Y)

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

Others (+3.6% Y/Y)

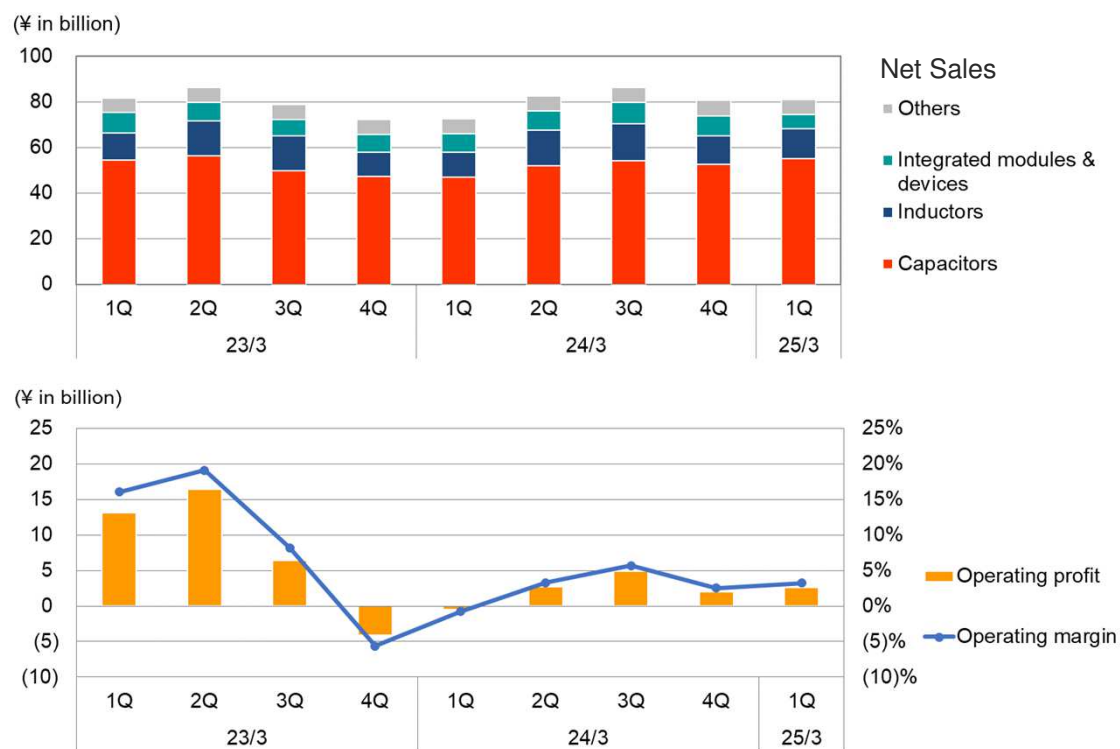
Sales of aluminum electrolytic capacitors for use in automobiles increased.

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
Net sales	81,740	86,272	79,032	72,458	72,612	82,814	86,386	80,834	81,138
Capacitors	54,583	56,438	49,867	47,225	47,133	51,950	54,190	52,554	55,192
Inductors	11,748	15,156	15,212	10,748	10,976	15,748	16,196	12,645	13,011
Integrated modules & devices	9,159	8,276	7,358	7,786	8,182	8,326	9,641	8,784	6,388
Others	6,248	6,400	6,594	6,697	6,320	6,789	6,358	6,849	6,546
Operating profit	13,142	16,475	6,462	(4,100)	(577)	2,721	4,900	2,036	2,630
Ordinary profit	17,204	18,355	2,572	(3,299)	1,159	5,127	1,169	6,301	8,377
Profit attributable to owners of parent	12,236	12,643	1,972	(3,636)	903	2,497	276	4,641	6,309
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

Consolidated Earnings Trends (Quarterly)



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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