

Earnings Release Conference

Third quarter for the year ending March 31, 2025

Tomomitsu Fukuda
Chief of Management Planning Headquarters
February 7, 2025

Financial Summary

Consolidated 3Q for the Year Ending March 2025

- Net sales were ¥86.9 billion, up slightly Q/Q. Sales increased for use in information equipment and communication equipment.
- Operating profit was ¥0.8 billion, down 83% Q/Q. An increase in inventory provision, and other factors pushed down operating profit.
- Although net sales were higher than the forecast as of November, operating profit fell short of the expected level.

Consolidated Earnings Forecast for the Year Ending March 2025

- The financial results forecasts published in November have been revised upward.
- TAIYO YUDEN will aim for net sales of ¥338.5 billion, up 5% Y/Y, and operating profit of ¥10.0 billion, up 10% Y/Y.
- ¥1.0 billion from business restructuring expenses is expected in 4Q and profit attributable to owners of parent will be ¥5.0 billion, down 40% Y/Y.

Consolidated 3Q for the Year Ending March 2025

Net sales increased slightly from the previous quarter to 86.9 billion yen. Sales increased for use in information equipment including SSDs and memory modules, and communication equipment such as smartphones.

Operating profit was 0.8 billion yen, down 83% from the previous quarter. An increase in inventory provision and other factors were reasons for decrease in profit.

Compared with expectations as of November when the results for the second quarter were published, sales were higher than expected, however operating profit fell short significantly of the expected level.

Consolidated Earnings Forecast for the Year Ending March 2025

Based on the results up to the third quarter, future demand forecasts, and exchange rate trends, the full year earnings forecasts published in November have been revised upward.

TAIYO YUDEN will aim for net sales of 338.5 billion yen, up 5% Y/Y, and operating profit of 10.0 billion yen, up 10% Y/Y.

TAIYO YUDEN will implement business restructuring in the fourth quarter and expects an extraordinary loss of 1.0 billion yen as business restructuring expenses. As a result, profit attributable to owners of parent is expected to be 5.0 billion yen, down 40% Y/Y.

Consolidated Financial Results

Third quarter for the year ending March 31, 2025

3Q – Consolidated Financial Results (Q/Q)

¥ in million	FYE Mar 31, 2025 2Q (01 Jul 2024 –30 Sep 2024)		FYE Mar 31, 2025 3Q (01 Oct 2024 –31 Dec 2024)		Change Q/Q	
	Net sales	86,718	100.0%	86,868	100.0%	150
Operating profit	4,945	5.7%	825	1.0%	(4,119)	(83.3)%
Ordinary profit	(1,617)	(1.9)%	6,925	8.0%	8,543	—
Profit attributable to owners of parent	(2,741)	(3.2)%	4,598	5.3%	7,340	—
Yen/USD average exchange rate	154.14 yen		149.04 yen		5.10 yen appreciated	
Impact of exchange rate fluctuation	(2.1) billion yen on net sales, (1.6) billion yen on operating profit * Including the impact of currencies other than US dollars					
R&D expenses	3,687		3,775		87	2.4%
Capital investment	15,100		16,329		1,228	8.1%
Depreciation expenses	11,377		11,899		522	4.6%

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The financial results for the third quarter of the fiscal year ending March 2025 recorded net sales of 86.9 billion yen, and operating profit of 0.8 billion yen.

Since the yen depreciated significantly from the US\$1:¥142 level at the end of the second quarter to the US\$1:¥158 level at the end of the third quarter, we recorded a foreign exchange gains of 6.0 billion yen, resulting in an ordinary income of 6.9 billion yen.

In addition, profit attributable to owners of parent was 4.6 billion yen.

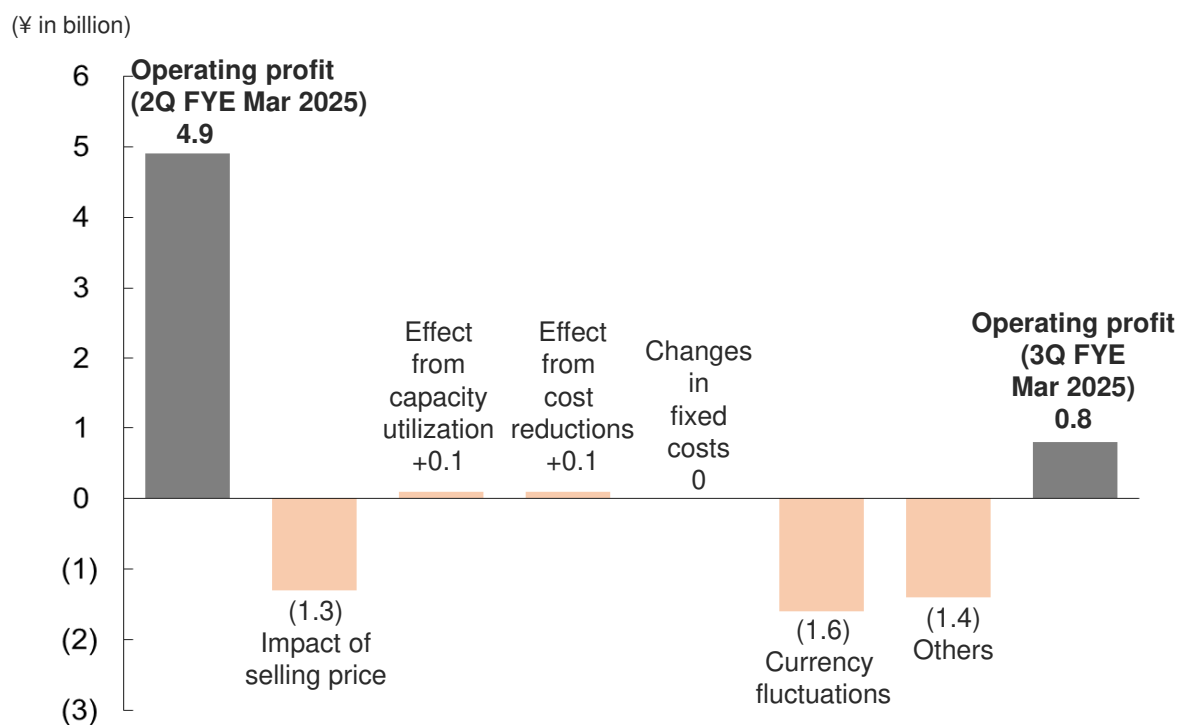
The average exchange rate during the quarter was US\$1:¥149 level, an appreciation of approximately ¥5 from the previous quarter.

The impact from this was a decrease of 2.1 billion yen in net sales and a decrease of 1.6 billion yen in operating profit.

Appreciation in Asian currencies had a somewhat larger impact on operating profit.

R&D expenses were 3.8 billion yen, capital investment was 16.3 billion yen, and depreciation expenses were 11.9 billion yen, all higher than in the previous quarter.

3Q – Factors behind Operating Profit (Q/Q)



The three main factors for decrease in operating profit compared to the previous quarter were the impact of selling prices, others, and the currency fluctuations mentioned earlier.

The impact of selling prices, which indicates decrease in prices when comparing the same products, was a 1.3 billion yen reduction in operating profit. The rate of decrease in prices was somewhat more moderate than in the previous quarter.

Others with a 1.4 billion yen negative impact on operating profit mainly included inventory provision. Factors for decrease in operating profit were an increase in inventory provision because of sluggish sales of communication devices and the elimination of unrealized gains due to the depreciation of the yen at the end of December as well as further increase in inventory provision reflecting the depreciation of the yen.

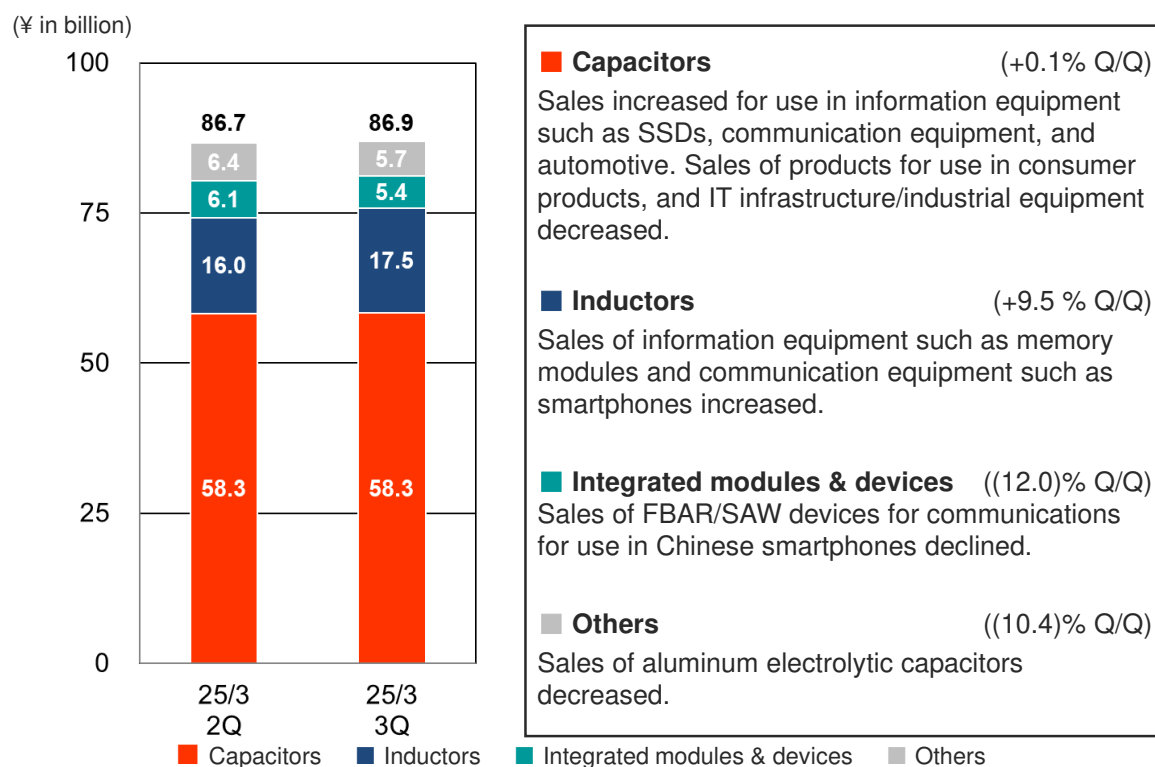
The impact of factors behind operating profit other than these three was immaterial. Company-wide inventory as of December 31, 2024 was nearly the same level as of September 30, 2024 on the actual basis excluding the portion with no effect on operating profit, such as the impact of exchange rates.

As a result, operating profit in the third quarter was 0.8 billion yen, a decrease of 4.1 billion yen Q/Q.

3Q – Financial Results by Product Classification (Q/Q)

¥ in million	FYE Mar 31, 2025 2Q		FYE Mar 31, 2025 3Q		Change Q/Q	
	Value	Percentage	Value	Percentage	Value	Percentage
Capacitors	58,278	67.2%	58,317	67.1%	39	0.1%
Inductors	15,963	18.4%	17,471	20.1%	1,508	9.5%
Integrated modules & devices	6,097	7.0%	5,363	6.2%	(733)	(12.0)%
Others	6,379	7.4%	5,714	6.6%	(664)	(10.4)%
Total net sales	86,718	100.0%	86,868	100.0%	150	0.2%

3Q – Financial Results by Product Classification (Q/Q)



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Net sales of capacitors were 58.3 billion yen, flat Q/Q.

By market sector, while sales increased for use in information equipment such as SSDs, communication equipment, and automotive, sales of products for use in consumer products and IT infrastructure/industrial equipment decreased. Capacity utilization for capacitors was 75% in the third quarter.

Net sales of inductors were 17.5 billion yen, up 10% Q/Q.

Sales of information equipment such as memory modules and communication equipment such as smartphones increased.

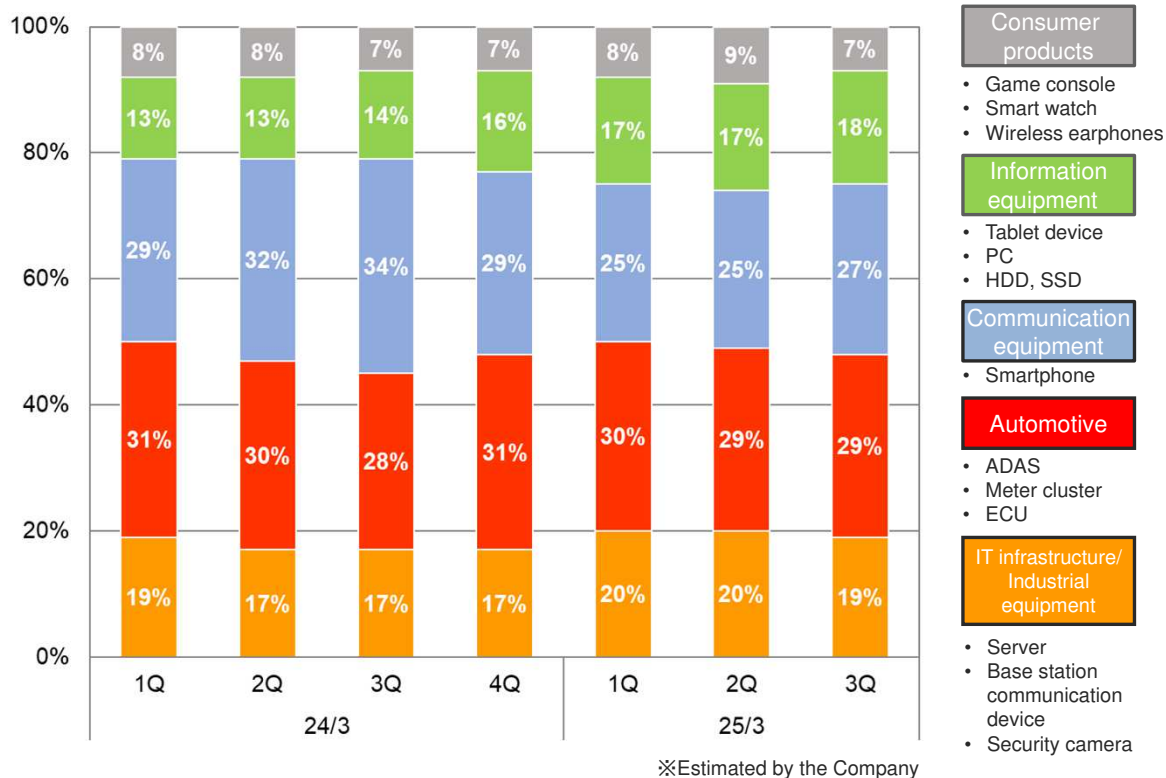
Meanwhile, sales of integrated modules & devices were 5.4 billion yen, down 12% Q/Q.

Sales of FBAR/SAW devices for communications for use in Chinese smartphones declined.

Communication devices accounted for 65-70% of integrated module & device sales.

Net sales of others were 5.7 billion yen, down 10% Q/Q, due to the decrease in sales of aluminum electrolytic capacitors by our subsidiary ELNA.

Sales by Market Sector



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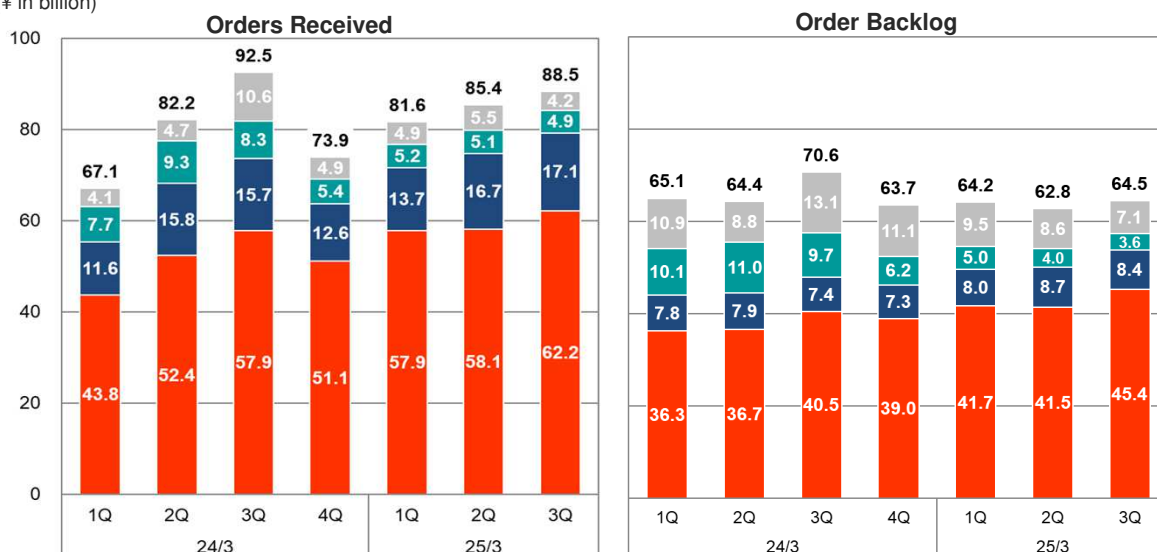
In terms of composition of sales by market sector, there were no major changes from the previous quarter.

Composition of sales for use in IT infrastructure/industrial equipment was 19% and sales for use in automotive was 29%, together accounting for approximately half of the total.

Composition of sales for use in communication equipment was 27%, sales for use in information equipment were 18%, and sales for use in consumer products were 7%.

Orders Received and Order Backlog

(¥ in billion)



BB ratio

	24/3				25/3		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Company-wide	0.92	0.99	1.07	0.91	1.01	0.98	1.02
Capacitors	0.93	1.01	1.07	0.97	1.05	1.00	1.07

■ Capacitors ■ Inductors
■ Integrated modules & devices
■ Others

※ BB ratio = Orders received/Net sales

Orders received for all TAIYO YUDEN products in the third quarter were 88.5 billion yen, up 4% from the previous quarter. Orders received for capacitors also increased from the previous quarter to 62.2 billion yen, up 7%. The book-to-bill (BB) ratio representing the ratio of orders received to net sales increased to 1.02 for all TAIYO YUDEN products and 1.07 for capacitors as orders were higher for both.

The order backlog 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 (compared with the previous forecast)

¥ in million	FYE Mar 31, 2025 Forecast as of Nov 7		FYE Mar 31, 2025 Forecast as of Feb 7		Change	
Net sales	330,000	100.0%	338,500	100.0%	8,500	2.6%
Operating profit	7,600	2.3%	10,000	3.0%	2,400	31.6%
Ordinary profit	6,000	1.8%	14,000	4.1%	8,000	133.3%
Profit attributable to owners of parent	0	0.0%	5,000	1.5%	5,000	—
Yen/USD average exchange rate	149.32 yen		152.33 yen		3.01 yen depreciated	
R&D expenses	15,000		15,000		0	0.0%
Capital investment	70,000		66,000		(4,000)	(5.7)%
Depreciation expenses	45,000		46,000		1,000	2.2%

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

We revised the assumed exchange rate to US\$1:¥152 level from US\$1:¥149 level.

In terms of the demand trends for each market in the fourth quarter, we expect demand for products for use in communication equipment to decrease from the previous quarter, due to seasonal factors for smartphones. On the other hand, orders increased for products for use in automotive and IT infrastructure/industrial equipment and sales are expected to increase going into the fourth quarter.

The revised full-year earnings forecasts are for net sales of 338.5 billion yen, operating profit of 10.0 billion yen, and ordinary profit of 14.0 billion yen.

As mentioned at the beginning of the presentation, TAIYO YUDEN plans to implement structural reforms of communication devices in the fourth quarter. The Company expects to record an extraordinary loss of 1.0 billion yen as business restructuring expenses.

Therefore, profit attributable to owners of parent is expected to be 5.0 billion yen.

Capital investment has been curbed somewhat in light of demand trends and revised to 66.0 billion yen.

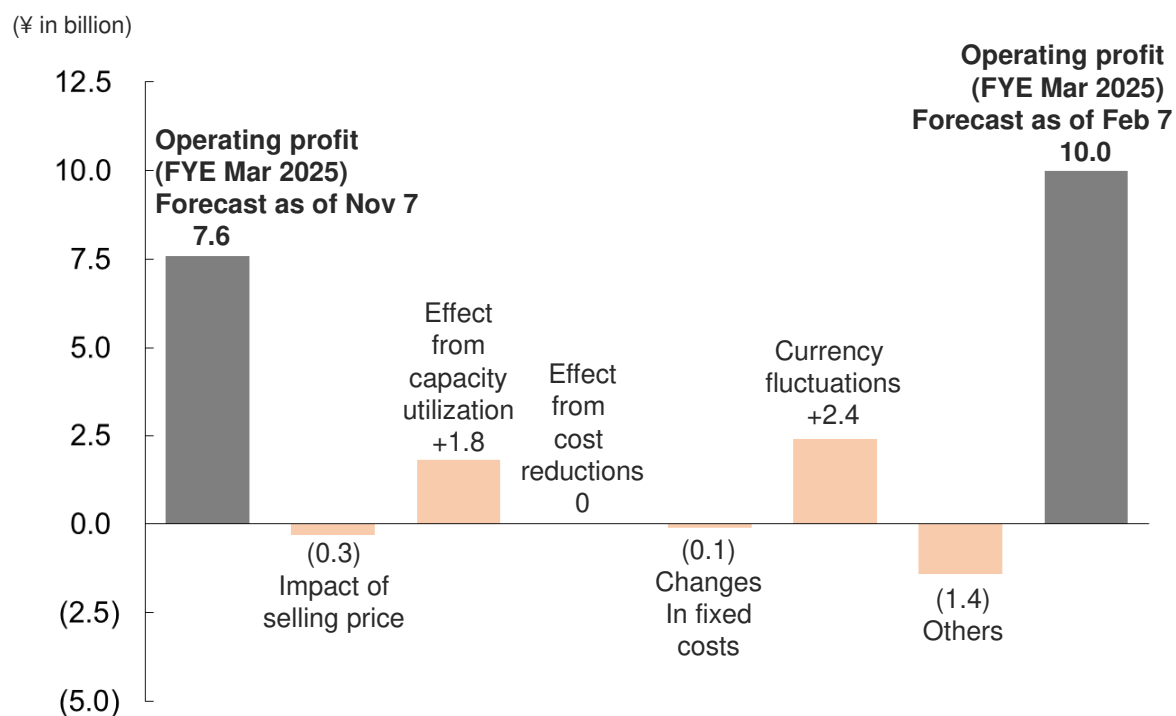
In addition, the Company has increased the forecast for depreciation expenses by 1.0 billion yen as a result of the currency fluctuations.

Full-Year Forecast (Y/Y)

¥ in million	FYE Mar 31, 2024		FYE Mar 31, 2025 Forecast as of Feb 7		Change Y/Y	
Net sales	322,647	100.0%	338,500	100.0%	15,853	4.9%
Operating profit	9,079	2.8%	10,000	3.0%	921	10.1%
Ordinary profit	13,757	4.3%	14,000	4.1%	243	1.8%
Profit attributable to owners of parent	8,317	2.6%	5,000	1.5%	(3,317)	(39.9)%
Yen/USD average exchange rate	143.32 yen		152.33 yen		9.01 yen depreciated	
R&D expenses	13,696		15,000		1,304	9.5%
Capital investment	92,201		66,000		(26,201)	(28.4)%
Depreciation expenses	39,391		46,000		6,609	16.8%

Compared to the previous fiscal year, we anticipate a 5% increase in net sales, a 10% increase in operating profit, and a 2% increase in ordinary profit, however, the Company anticipates profit attributable to owners of parent will decrease 40%. This is due to the recording of extraordinary loss, including the Anti-monopoly Act related loss recorded in the second quarter and the business restructuring expenses planned in the fourth quarter.

Factors behind Operating Profit (compared with the previous forecast)

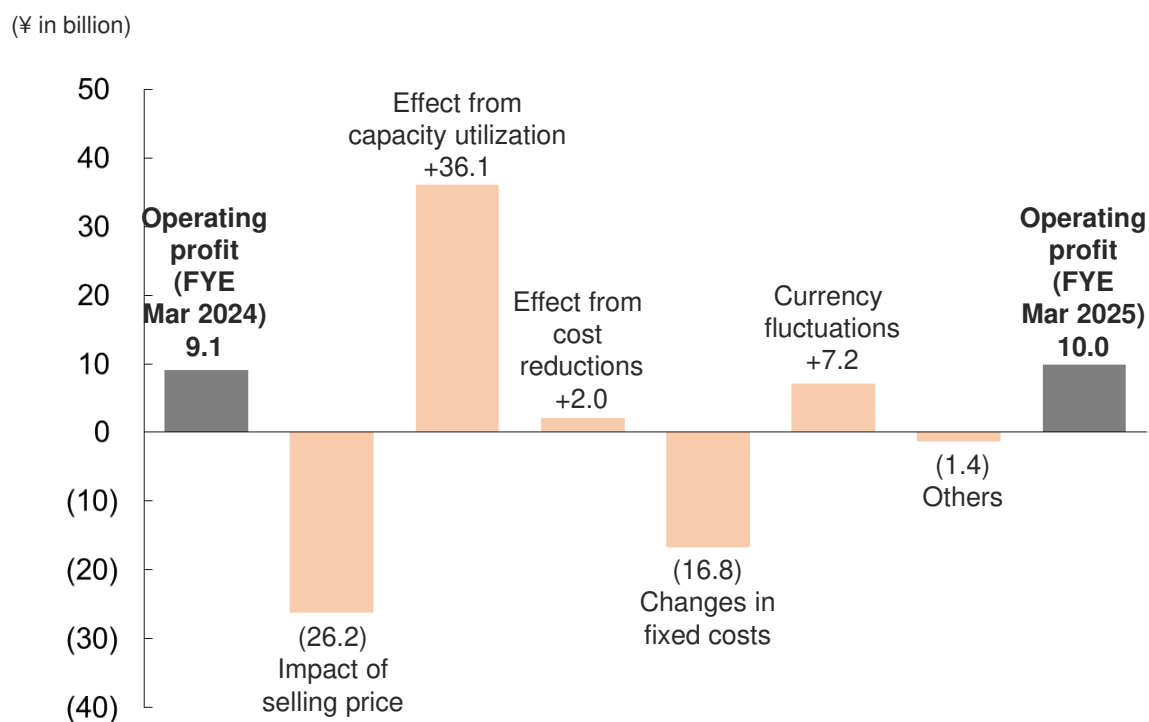


There are two factors for increase in operating profit, 1.8 billion yen from effect from capacity utilization and 2.4 billion yen from currency fluctuations. On the other hand, 1.4 billion yen from others are assumed to be factors for decrease in profit due to an increase in inventory provision etc.

With no change to the forecast as of November for total company-wide inventory, we plan an increase of approximately 10.0 billion yen from March 31, 2024 on the actual basis excluding changes due to exchange rates and the portion with no effect on operating profit.

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

Factors behind Operating Profit (Y/Y)



Compared to the previous fiscal year, a 26.2 billion yen effect from impact of selling price, a 16.8 billion yen effect from increase in fixed costs, and 1.4 billion yen from others are factors for decrease in profit.

A 36.1 billion yen effect from capacity utilization, a 2.0 billion yen effect from cost reductions, and 7.2 billion yen of currency fluctuations are expected to be factors for increase in profit. As a result, we forecast a 0.9 billion yen increase in operating profit.

The pace of price reductions when comparing the same products is expected to be more moderate than in the previous fiscal year.

Forecast by Product Classification (compared with the previous forecast)

¥ in million	FYE Mar 31, 2025 Forecast as of Nov 7		FYE Mar 31, 2025 Forecast as of Feb 7		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Capacitors	225,500	68.3%	231,500	68.4%	6,000	2.7%
Inductors	56,500	17.1%	59,500	17.6%	3,000	5.3%
Integrated modules & devices	23,000	7.0%	23,000	6.8%	0	0.0%
Others	25,000	7.6%	24,500	7.2%	(500)	(2.0)%
Total net sales	330,000	100.0%	338,500	100.0%	8,500	2.6%

In terms of the forecasts for sales by product classification, we increased the forecast for capacitors sales by 3% and for inductor sales by 5% from the one published in November, but lowered the sales forecasts for others by 2%. The forecast for integrated modules & devices sales is expected to be flat.

Forecast by Product Classification (Y/Y)

¥ in million	FYE Mar 31, 2024		FYE Mar 31, 2025 Forecast as of Feb 7		Change Y/Y	
	Value	Percentage	Value	Percentage	Value	Percentage
Capacitors	205,829	63.8%	231,500	68.4%	25,671	12.5%
Inductors	55,566	17.2%	59,500	17.6%	3,934	7.1%
Integrated modules & devices	34,934	10.8%	23,000	6.8%	(11,934)	(34.2)%
Others	26,317	8.2%	24,500	7.2%	(1,817)	(6.9)%
Total net sales	322,647	100.0%	338,500	100.0%	15,853	4.9%

We expect that sales of capacitors and inductors will increase by 13% and 7% 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 7%.

Sales Forecast by Product Classification for 4Q

¥ in million	FYE Mar 31, 2025 3Q	FYE Mar 31, 2025 4Q (Change Q/Q)
Capacitors	58,317	+2%
Inductors	17,471	(25)%
Integrated modules & devices	5,363	(4)%
Others	5,714	+3%
Total net sales	86,868	(4)%
Yen/USD average exchange rate	149.04 yen	(Assumption) 153.00 yen

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

We expect sales of capacitors will increase by 2% Q/Q.

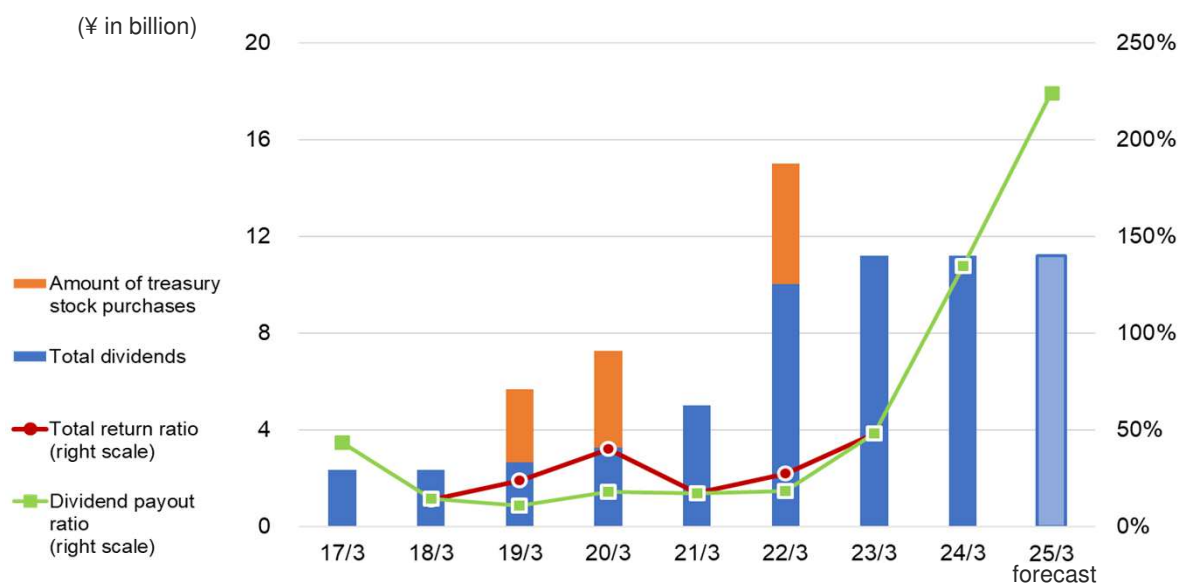
By market sector, although sales of products for use in communication equipment will decrease due to seasonality, we expect that sales of products for use in consumer products, information equipment, automotive, and IT infrastructure/industrial equipment will increase.

On the other hand, we expect decreases of 25% in inductor sales, where there is a large impact from a seasonal decrease in demand for smartphones, and 4% in integrated module & device sales while sales of others will increase 3%.

Total sales are forecast to decrease 4% 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	40.09

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.

We have maintained the dividend at 90 yen, the same level as in the previous fiscal year, in consideration of the stability of dividends.

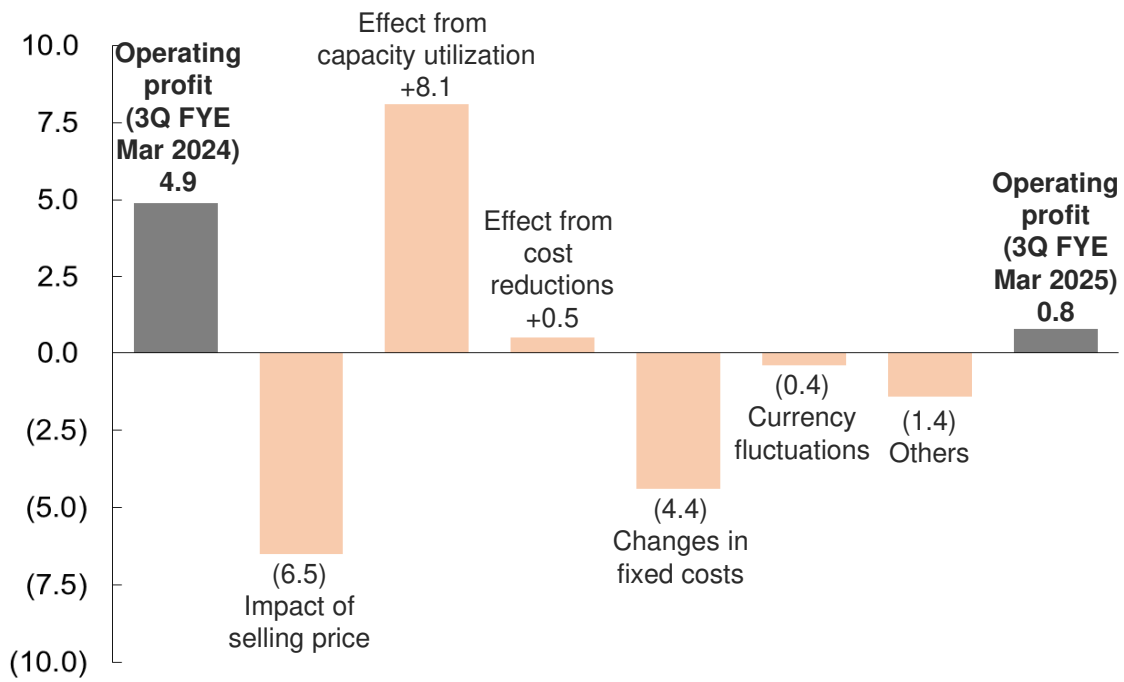
Supplementary Information

3Q – Consolidated Financial Results (Y/Y)

¥ in million	FYE Mar 31, 2024 3Q		FYE Mar 31, 2025 3Q		Change Y/Y	
Net sales	86,386	100.0%	86,868	100.0%	482	0.6%
Operating profit	4,900	5.7%	825	1.0%	(4,074)	(83.1)%
Ordinary profit	1,169	1.4%	6,925	8.0%	5,756	492.3%
Profit attributable to owners of parent	276	0.3%	4,598	5.3%	4,322	—
Yen/USD average exchange rate	149.10 yen		149.04 yen		0.06 yen appreciated	
Impact of exchange rate fluctuation	+0.2 billion yen on net sales, (0.4) billion yen on operating profit *Including the impact of currencies other than US dollars					
R&D expenses	3,446		3,775		328	9.5%
Capital investment	32,732		16,329		(16,403)	(50.1)%
Depreciation expenses	10,221		11,899		1,677	16.4%

3Q – Factors behind Operating Profit (Y/Y)

(¥ in billion)

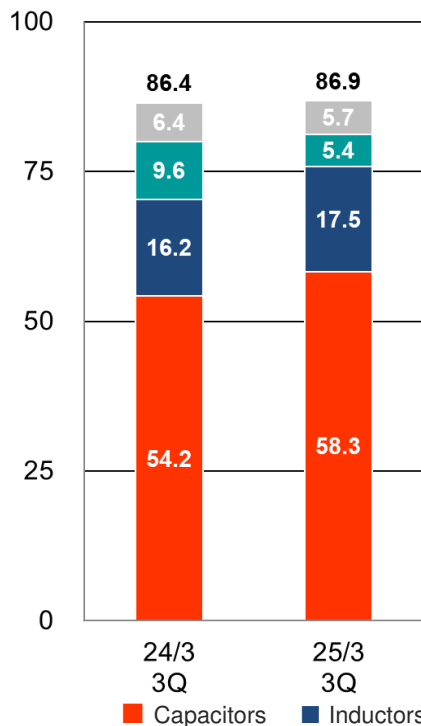


3Q – Financial Results by Product Classification (Y/Y)

¥ in million	FYE Mar 31, 2024 3Q		FYE Mar 31, 2025 3Q		Change Y/Y	
	Value	Percentage	Value	Percentage	Value	Percentage
Capacitors	54,190	62.7%	58,317	67.1%	4,127	7.6%
Inductors	16,196	18.7%	17,471	20.1%	1,275	7.9%
Integrated modules & devices	9,641	11.2%	5,363	6.2%	(4,277)	(44.4)%
Others	6,358	7.4%	5,714	6.6%	(643)	(10.1)%
Total net sales	86,386	100.0%	86,868	100.0%	482	0.6%

3Q – Financial Results by Product Classification (Y/Y)

(¥ in billion)



- **Capacitors** (+7.6% Y/Y)
 Sales increased, mainly for use in information equipment such as SSDs, automotive and IT infrastructure/industrial equipment.

- **Inductors** (+7.9% Y/Y)
 Sales of products increased for use in consumer products such as game consoles and for use in information equipment such as memory modules.

- **Integrated modules & devices** ((44.4)% Y/Y)
 Sales of FBAR/SAW devices for communications and circuit modules decreased.

- **Others** ((10.1)% Y/Y)
 Sales of aluminum electrolytic capacitors decreased

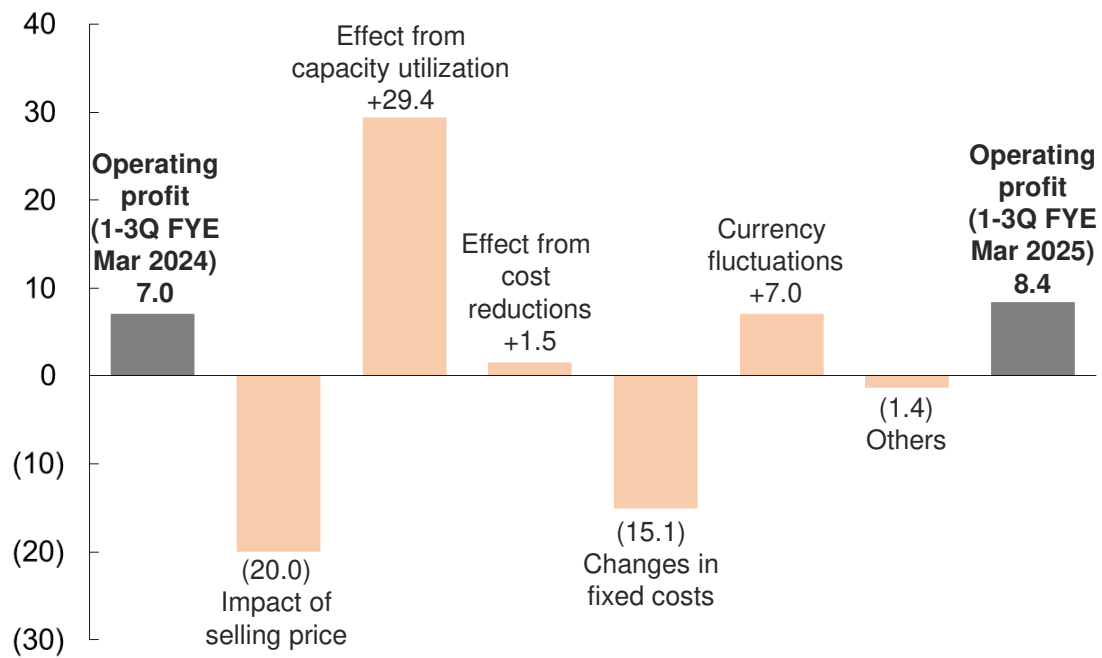
■ Capacitors
 ■ Inductors
 ■ Integrated modules & devices
 ■ Others

1-3Q – Consolidated Financial Results (Y/Y)

¥ in million	FYE Mar 31, 2024 1-3Q		FYE Mar 31, 2025 1-3Q		Change Y/Y	
Net sales	241,813	100.0%	254,724	100.0%	12,911	5.3%
Operating profit	7,043	2.9%	8,402	3.3%	1,358	19.3%
Ordinary profit	7,456	3.1%	13,685	5.4%	6,228	83.5%
Profit attributable to owners of parent	3,676	1.5%	8,166	3.2%	4,489	122.1%
Yen/USD average exchange rate	142.17 yen		152.11 yen		9.94 yen depreciated	
Impact of exchange rate Fluctuation	+12.5 billion yen on net sales, +7.0 billion yen on operating profit * Including the impact of currencies other than US dollars					
R&D expenses	9,969		11,103		1,133	11.4%
Capital investment	68,192		46,410		(21,782)	(31.9)%
Depreciation expenses	28,492		33,825		5,333	18.7%

1-3Q – Factors behind Operating Profit (Y/Y)

(¥ in billion)

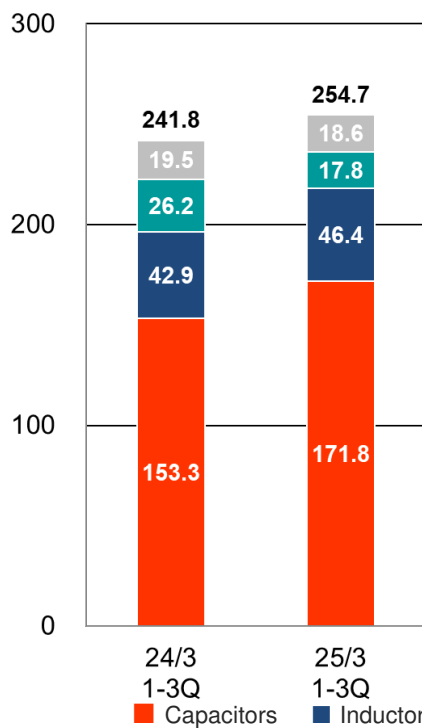


1-3Q – Financial Results by Product Classification (Y/Y)

¥ in million	FYE Mar 31, 2024 1-3Q		FYE Mar 31, 2025 1-3Q		Change Y/Y	
	Value	%	Value	%	Value	%
Capacitors	153,274	63.4%	171,788	67.4%	18,513	12.1%
Inductors	42,920	17.7%	46,446	18.2%	3,525	8.2%
Integrated modules & devices	26,150	10.8%	17,849	7.0%	(8,301)	(31.7)%
Others	19,467	8.1%	18,640	7.3%	(826)	(4.2)%
Total net sales	241,813	100.0%	254,724	100.0%	12,911	5.3%

1-3Q – Financial Results by Product Classification (Y/Y)

(¥ in billion)



Capacitors (+12.1% Y/Y)

Sales increased, mainly for use in information equipment such as SSDs, automotive, and IT infrastructure/industrial equipment such as servers.

Inductors (+8.2% 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.

Integrated modules & devices ((31.7)% Y/Y)

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

Others ((4.2)% Y/Y)

Sales of aluminum electrolytic capacitors decreased.

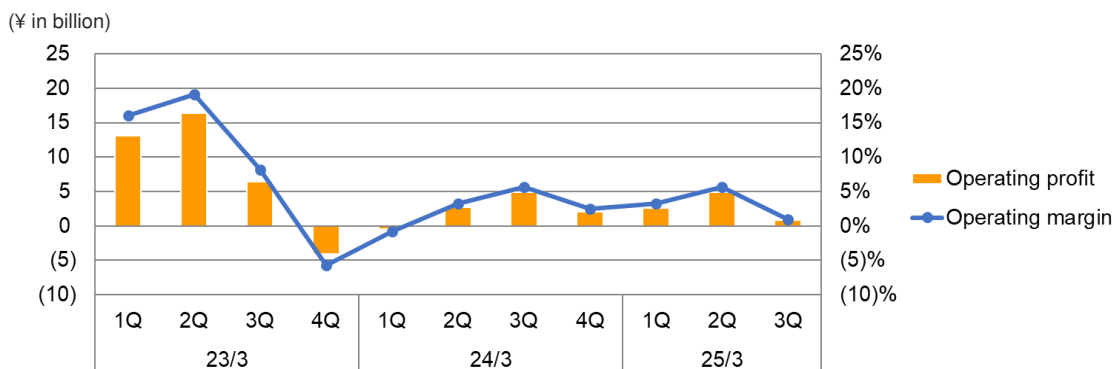
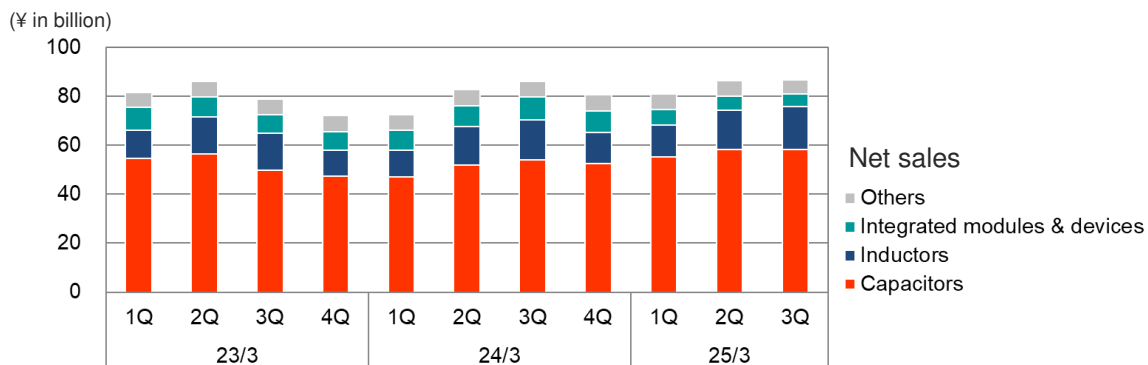
Consolidated Financial Position

¥ in million	As of March 31, 2024	As of December 31, 2024	Change
Cash and deposits	102,783	82,495	(20,287)
Total assets	579,686	595,582	15,896
Interest-bearing liabilities	148,845	164,448	15,602
Total liabilities	249,587	260,271	10,684
Total net assets	330,098	335,310	5,211
Equity-to-asset ratio	56.8%	56.2%	—
Net cash	(46,062)	(81,952)	(35,890)
D/E ratio	0.45	0.49	—

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	3Q
Net sales	81,740	86,272	79,032	72,458	72,612	82,814	86,386	80,834	81,138	86,718	86,868
Capacitors	54,583	56,438	49,867	47,225	47,133	51,950	54,190	52,554	55,192	58,278	58,317
Inductors	11,748	15,156	15,212	10,748	10,976	15,748	16,196	12,645	13,011	15,963	17,471
Integrated modules & devices	9,159	8,276	7,358	7,786	8,182	8,326	9,641	8,784	6,388	6,097	5,363
Others	6,248	6,400	6,594	6,697	6,320	6,789	6,358	6,849	6,546	6,379	5,714
Operating profit	13,142	16,475	6,462	(4,100)	(577)	2,721	4,900	2,036	2,630	4,945	825
Ordinary profit	17,204	18,355	2,572	(3,299)	1,159	5,127	1,169	6,301	8,377	(1,617)	6,925
Profit attributable to owners of parent	12,236	12,643	1,972	(3,636)	903	2,497	276	4,641	6,309	(2,741)	4,598
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	149.04 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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