TAIYO YUDEN

Earnings Release Conference

for Second Quarter of Fiscal Year Ending March 2027

TAIYO YUDEN CO., LTD.
Tomomitsu Fukuda
Director, Senior Executive Operating Officer

November 5, 2026

Key Points of the Financial Results

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Net sales
2Q FYE Mar 2027

112.1 billion yen
(QoQ +19%)

Sales increased across a wide range of applications, primarily for AI servers

- Capacitor revenue rose due to increased demand for AI servers and automotive.
- Sales of inductors also grew for communication equipment and information equipment.

Operating profit
2Q FYE Mar 2027

13.4 billion yen
(QoQ +178%)

Operating profit increased 178% QoQ, driven by higher capacity utilization

- The main factor behind profit growth was the capacity utilization effect resulting from higher sales volume and an improvement in the product mix.
- The impact of selling price when comparing the same products also contributed to profit growth.

Earnings forecast
FYE Mar 2027

Net sales **436.0 billion yen**
(YoY +23%)

Operating profit **54.0 billion yen**
(YoY +170%)

Upward revision to the earnings forecast announced in August

- Demand is expanding for high-value-added, high-end products, including those for AI servers.
- The book-to-bill (BB) ratio for capacitors remained at a high level of 1.83 in 2Q.

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Summary of Consolidated Results
for Second Quarter of Fiscal Year Ending March 2027

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Summary of Consolidated Results for Second Quarter of Fiscal Year Ending March 2027

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- Sales increased, mainly driven by capacitors and inductors. Revenue rose 19%, and operating profit was up 178% QoQ.
- The impact of currency fluctuations was increases of ¥8.7 billion in net sales and ¥5.1 billion in operating profit YoY. The impact was increases of ¥1.2 billion in net sales and ¥0.9 billion in operating profit QoQ.

(¥ in million)	FYE Mar 2026 2Q	FYE Mar 2027 1Q	FYE Mar 2027 2Q	YoY Change	YoY Change (%)	QoQ Change	QoQ Change (%)
Net sales	92,813	93,897	112,136	19,323	20.8	18,238	19.4
Operating profit	5,881	4,818	13,378	7,496	127.5	8,560	177.7
Operating margin	6.3%	5.1%	11.9%	5.6%pt	-	6.8%pt	-
Ordinary profit	7,849	4,263	11,642	3,793	48.3	7,379	173.1
Profit attributable to owners of parent	6,416	2,504	5,631	(785)	(12.2)	3,126	124.8
Yen/USD average exchange rate	146.33 yen	158.80 yen	160.71 yen	14.38 yen	-	1.91 yen	-
R&D expenses	3,600	3,401	3,365	(235)	(6.5)	(36)	(1.1)
Capital investment	8,667	7,083	6,333	(2,334)	(26.9)	(750)	(10.6)
Depreciation expenses	12,054	11,914	12,072	17	0.1	157	1.3

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Factors behind Operating Profit for Second Quarter of Fiscal Year Ending March 2027

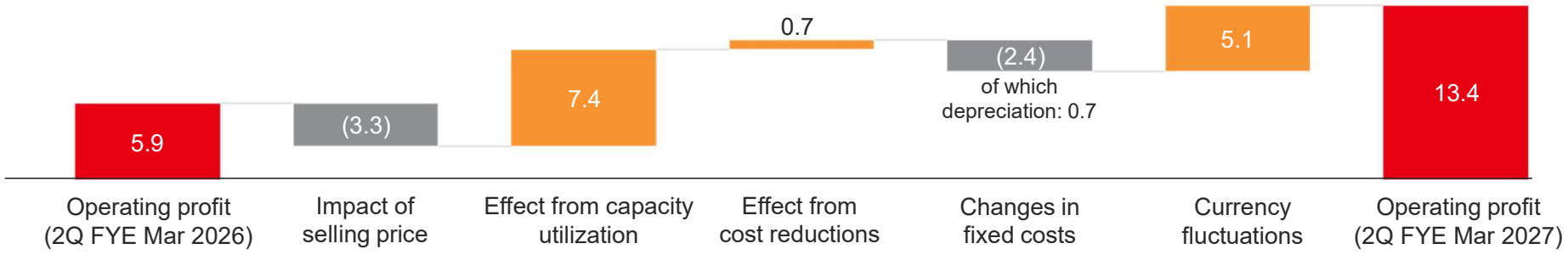
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- The effect from capacity utilization was an increase of ¥10.3 billion QoQ. Operating profit increased due to higher sales volume and improvements in the product mix. Inventory* decreased by ¥1.2 billion from the previous quarter-end.
- QoQ price fluctuations when comparing the same products shifted to a factor for increase in profit and boosted operating profit by ¥1.0 billion.

* Inventory changes are shown on the actual basis excluding exchange rates and the portion with no effect on operating profit.

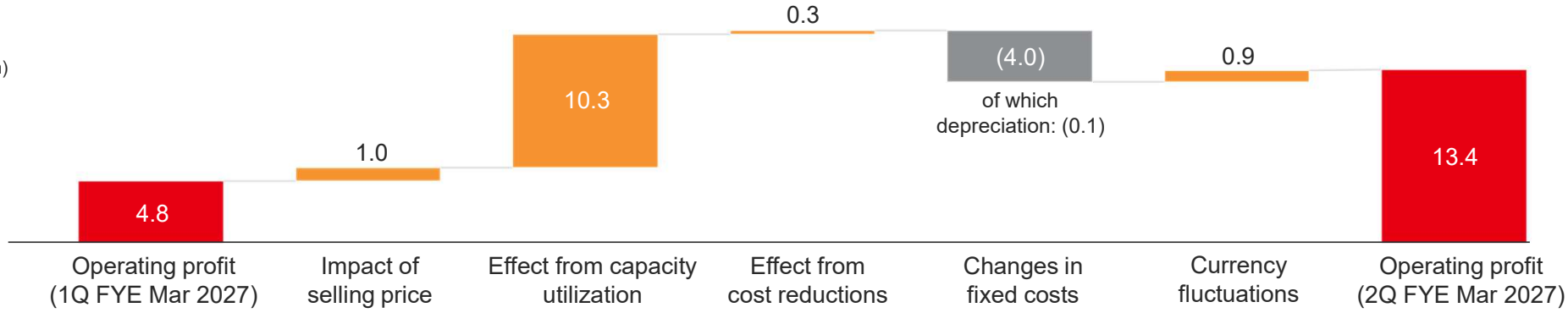
YoY

(¥ in billion)



QoQ

(¥ in billion)



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Financial Results by Product Classification for Second Quarter of Fiscal Year Ending March 2027

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- Net sales of capacitors increased 21% QoQ, with growth across all applications, including IT infrastructure/industrial equipment, such as AI servers, and automotive.
- Net sales of inductors also increased 18% QoQ, with growth across all application areas. In particular, sales were strong for products for use in communication equipment, such as smartphones, and information equipment, such as memory modules.
- The others segment increased 12% QoQ, driven by higher sales of aluminum electrolytic capacitors and communication devices.

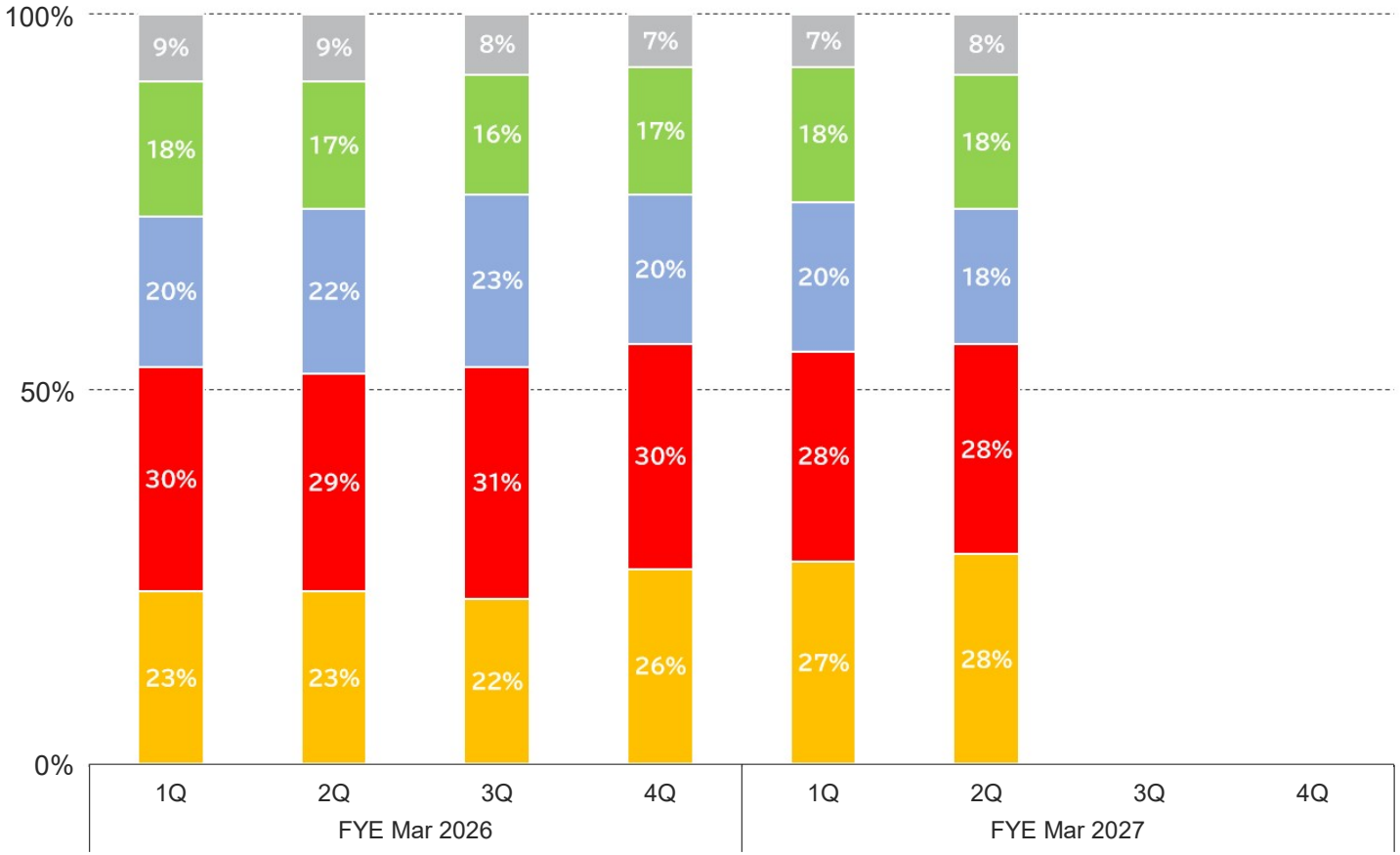
(¥ in million)	FYE Mar 2026 2Q	FYE Mar 2027 1Q	FYE Mar 2027 2Q	YoY		QoQ	
				Change	Change (%)	Change	Change (%)
Net sales	92,813	93,897	112,136	19,323	20.8	18,238	19.4
Capacitors	65,908	69,022	83,314	17,405	26.4	14,291	20.7
Inductors	16,652	15,934	18,820	2,167	13.0	2,885	18.1
Others	10,251	8,941	10,002	(249)	(2.4)	1,061	11.9

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Sales by Application

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- Sales increased QoQ for all applications.
- For IT infrastructure/industrial equipment, capacitors used in AI servers drove sales growth.
- The combined composition of sales for use in IT infrastructure/industrial equipment and automotive, which TAIYO YUDEN is focusing on, was 56%, remaining at a high level.



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

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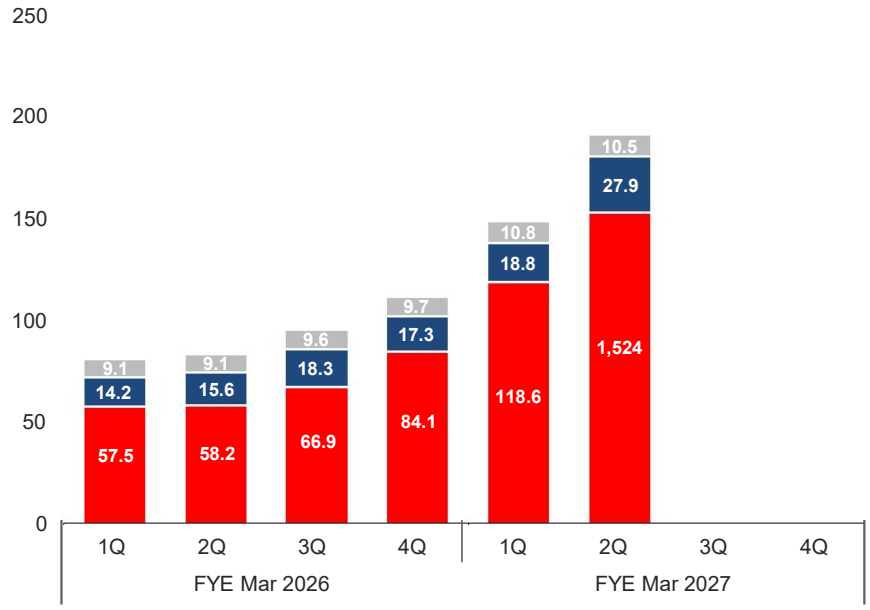
Orders Received and Order Backlog

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- Orders received for capacitors significantly expanded by 28% QoQ. Due to this, there was also a sharp increase in the order backlog, up 61%.
- Orders for capacitors increased, primarily for IT infrastructure/industrial equipment, including AI servers, and information equipment, including memory modules.
- The book-to-bill (BB) ratio rose to 1.70 for all TAIYO YUDEN products and 1.83 for capacitors. Strong demand continues, with orders exceeding net sales for the fourth consecutive quarter.

Orders Received

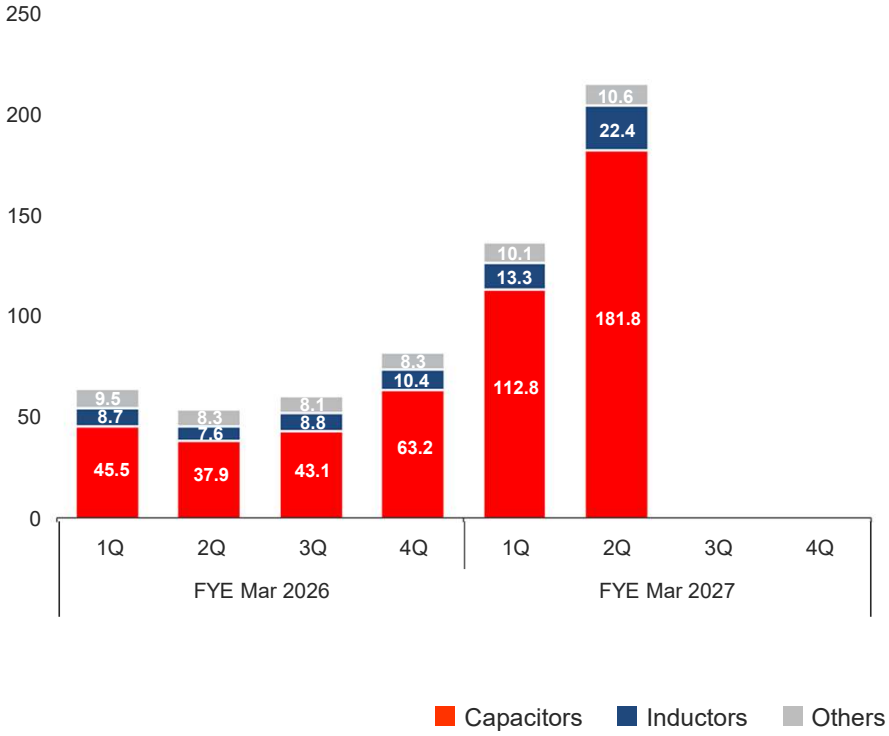
(¥ in billion)



	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
BB ratio (Company wide)	0.95	0.89	1.07	1.25	1.58	1.70		
BB ratio (Capacitors)	0.95	0.88	1.08	1.31	1.72	1.83		

Order Backlog

(¥ in billion)



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Forecast of Consolidated Performance
for Fiscal Year Ending March 2027

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Demand

- With higher performance of the semiconductors used in AI servers, unit counts of multilayer ceramic capacitors and power inductors are increasing and their performance specifications are being improved.
- Orders received for products for use in information equipment, such as memory modules, were also strong and the capacitor BB ratio in 2Q reached 1.83, signaling robust demand.

Sales

- In the second half, in addition to capacitors, sales of high-value-added inductors for use in AI servers will also increase, accelerating the improvement in the product mix.
- In the second half, TAIYO YUDEN expects selling prices to rise compared to the first half (when comparing the same products). In addition to moderation of the downward pressure on prices due to tight supply and demand, we are implementing price revisions, mainly for items affected by the surge in raw material prices and low-profit items.

Capital Investment under the Medium-Term Management Plan 2030

- To capture demand opportunities arising from the growth of AI-related markets, the Company will bring forward its original investment plan by two years.
- We plan to increase production capacity for capacitors used in AI servers to more than twice this fiscal year’s level next fiscal year.

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Consolidated Earnings Forecast for Fiscal Year Ending March 2027

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- The earnings forecast announced in August has been revised upward, reflecting factors including expanding demand for high-value-added, high-end products, such as those for AI servers, and the impact of selling prices.
- FX sensitivity indicates that a ¥1 fluctuation against the US dollar impacts net sales by ¥1.9 billion and operating profit by ¥0.9 billion.

(¥ in million)	FYE Mar 2026 Actual	FYE Mar 2027 Prev. Forecast	FYE Mar 2027 Forecast	YoY		vs Previous forecast	
				Change	Change (%)	Change	Change (%)
Net sales	355,341	424,000	436,000	80,659	22.7	12,000	2.8
Operating profit	19,996	45,000	54,000	34,004	170.0	9,000	20.0
Operating margin	5.6%	10.6%	12.4%	6.8%pt	-	1.8%pt	-
Ordinary profit	24,129	42,000	50,000	25,871	107.2	8,000	19.0
Profit attributable to owners of parent	14,806	29,000	35,000	20,194	136.4	6,000	20.7
Yen/USD average exchange rate	149.99 yen	159.70 yen	157.88 yen	7.89 yen	-	(1.82) yen	-
R&D expenses	14,474	15,000	15,000	526	3.6	0	0.0
Capital investment	40,416	42,000	42,000	1,584	3.9	0	0.0
Depreciation expenses	49,148	50,000	50,000	852	1.7	0	0.0

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Forecast of Factors behind Operating Profit for Fiscal Year Ending March 2027

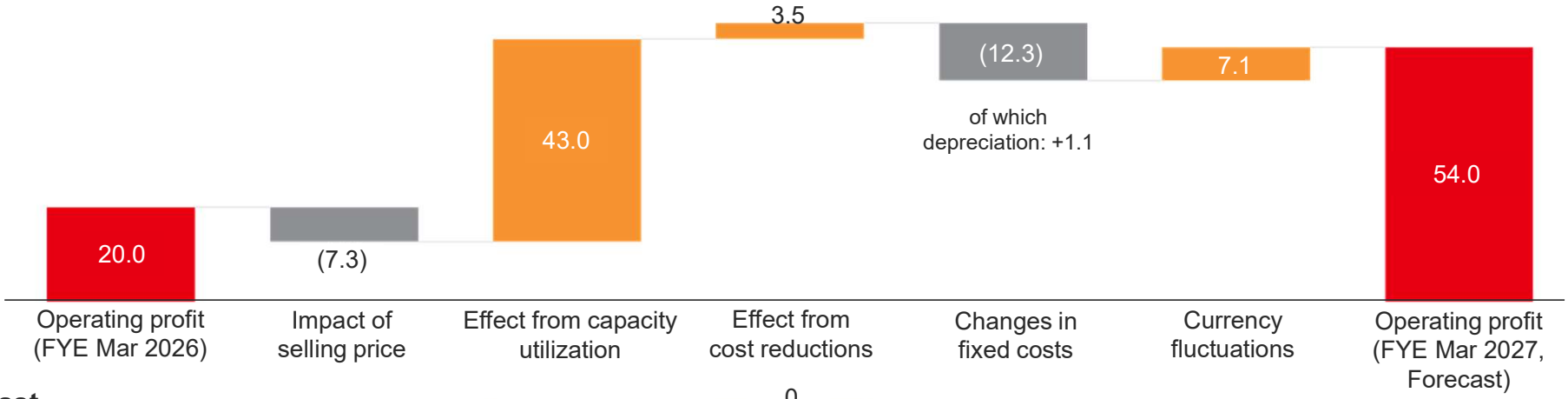
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- YoY: The capacity utilization effect because of higher sales volume and improvements in the product mix will contribute significantly to increase in profit. Inventories* at fiscal year-end are expected to decrease by ¥1.0 billion from the end of the previous fiscal year.
- Vs. Previous forecast: The pace of price decreases for the same products is expected to moderate further.

* Inventory changes are shown on the actual basis excluding exchange rates and the portion with no effect on operating profit.

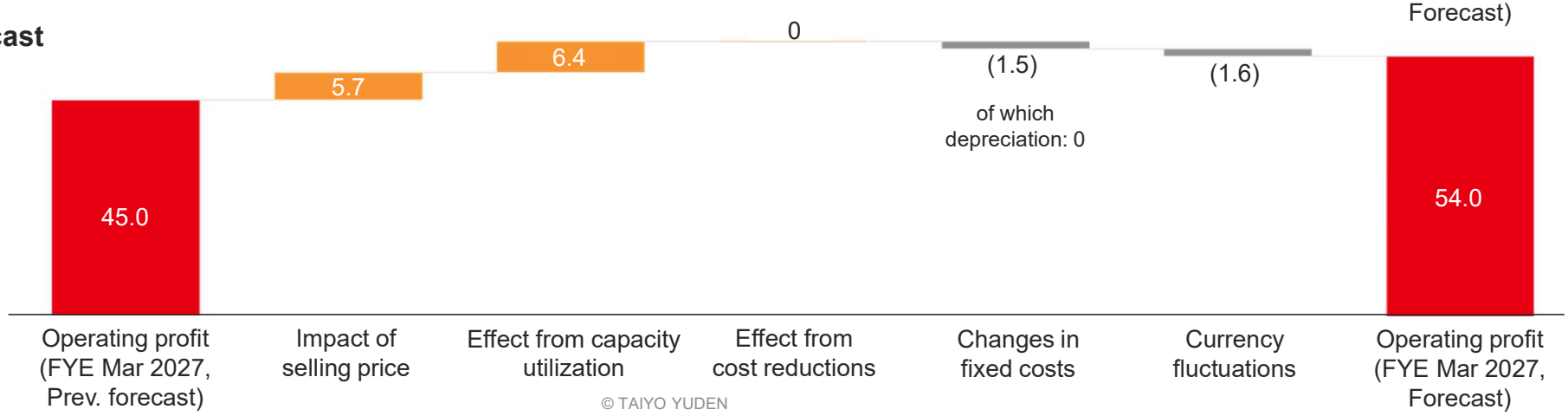
YoY

(¥ in billion)



vs Previous forecast

(¥ in billion)



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Forecast by Product Classification for Fiscal Year Ending March 2027

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- Projected YoY revenue growth: +29% for capacitors and +16% for inductors. Sales forecasts for capacitors and inductors have been revised upward, mainly for applications in IT infrastructure/industrial equipment and information equipment.
- Shipments of new inductor products for AI servers have started ahead of schedule, and sales growth for inductors is expected to accelerate further next fiscal year.

(¥ in million)	FYE Mar 2026 Actual	FYE Mar 2027 Prev. Forecast	FYE Mar 2027 Forecast	YoY		vs Previous forecast	
				Change	Change (%)	Change	Change (%)
Net sales	355,341	424,000	436,000	80,659	22.7	12,000	2.8
Capacitors	251,771	316,500	324,500	72,729	28.9	8,000	2.5
Inductors	64,319	71,500	74,500	10,181	15.8	3,000	4.2
Others	39,249	36,000	37,000	(2,249)	(5.7)	1,000	2.8

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Forecast for Third Quarter of Fiscal Year Ending March 2027

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- TAIYO YUDEN expects sales of capacitors and inductors to increase for applications including IT infrastructure/Industrial equipment.
- Inventory* as of December 31, 2026 is expected to be around the same as the level as of September 30, 2026.

* Inventory changes are shown on the actual basis excluding exchange rates and the portion with no effect on operating profit.

(¥ in million)	2Q FYE Mar 2027 Actual	3Q FYE Mar 2027 Forecast of Change Rate
Net sales	112,136	±0%～+4%
Capacitors	83,314	+1%～+5%
Inductors	18,820	+1%～+5%
Others	10,002	(12)%～(8)%
Yen/USD average exchange rate	160.71 yen	156.00 yen

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Appendix

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Shareholder Return Policy

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- We will strive for responsible shareholder returns with a basic policy of 30% payout ratio and 3.5% DOE.
- We will maintain the forecast dividend per share (DPS) of ¥90 for the fiscal year ending March 31, 2027, with the payout ratio at 34.5% and DOE at 3.7%.

FYE Mar 2027
Dividend Per Share (Forecast)

90 yen

		FYE Mar 2022	FYE Mar 2023	FYE Mar 2024	FYE Mar 2025	FYE Mar 2026	FYE Mar 2027 Forecast
DPS	(yen)	80	90	90	90	90	90
Payout ratio	(%)	18.5	48.3	134.8	482.1	76.0	34.5
DOE	(%)	3.7	3.8	3.7	3.8	3.8	3.7
Repurchase of treasury stock	(¥ in billion)	5.0	0	0	0	0	-

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Summary of Consolidated Results for 1-2Q of Fiscal Year Ending March 2027

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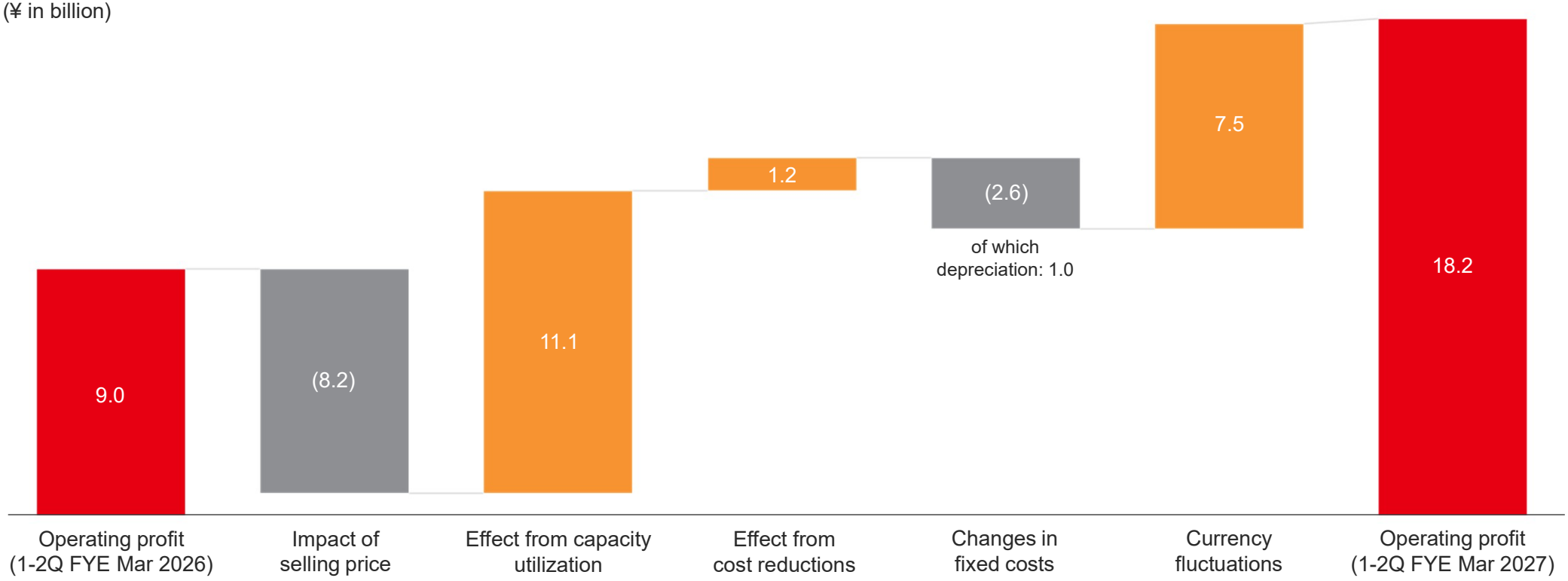
(¥ in million)	FYE Mar 2026 1-2Q	FYE Mar 2027 1-2Q	YoY Change	YoY Change (%)
Net sales	177,624	206,034	28,410	16.0
Operating profit	9,024	18,196	9,172	101.6
Operating margin	5.1%	8.8%	3.7%pt	-
Ordinary profit	8,106	15,906	7,800	96.2
Profit attributable to owners of parent	5,540	8,135	2,595	46.8
Yen/USD average exchange rate	146.26 yen	159.76 yen	13.50 yen	-
R&D expenses	7,186	6,766	(419)	(5.8)%
Capital investment	19,598	13,417	(6,180)	(31.5)%
Depreciation expenses	23,487	23,986	499	2.1%

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Factors behind Operating Profit for 1-2Q of Fiscal Year Ending March 2027

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(¥ in billion)



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Financial Results by Product Classification for 1-2Q of Fiscal Year Ending March 2027

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(¥ in million)	FYE Mar 2026 1-2Q	FYE Mar 2027 1-2Q	YoY Change	YoY Change (%)
Net sales	177,624	206,034	28,410	16.0
Capacitors	126,106	152,336	26,230	20.8
Inductors	31,492	34,754	3,262	10.4
Others	20,024	18,943	(1,081)	(5.4)

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Condensed Statements of Operations

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(¥ in million)	FYE Mar 2022	FYE Mar 2023	FYE Mar 2024	FYE Mar 2025	FYE Mar 31, 2026
Net sales	349,636	319,504	322,647	341,438	355,341
(YoY)	16.2%	(8.6)%	1.0%	5.8%	4.1%
Capacitors	230,383	208,115	205,829	232,066	251,771
(YoY)	18.0%	(9.7)%	(1.1)%	12.7%	8.5%
Inductors	48,925	52,866	55,566	61,546	64,319
(YoY)	17.7%	8.1%	5.1%	10.8%	4.5%
Others	70,327	58,522	61,251	47,825	39,249
(YoY)	9.6%	(16.8)%	4.7%	(21.9)%	(17.9)%
Gross profit	124,981	87,419	65,456	71,570	81,928
Gross profit margin	35.7%	27.4%	20.3%	21.0%	23.1%
SG&A	56,763	55,438	56,376	61,110	61,932
SG&A ratio	16.2%	17.4%	17.5%	17.9%	17.4%
Operating profit	68,218	31,980	9,079	10,459	19,996
Operating margin	19.5%	10.0%	2.8%	3.1%	5.6%
(YoY)	67.3%	(53.1)%	(71.6)%	15.2%	91.2%
Ordinary profit	72,191	34,832	13,757	10,517	24,129
Profit attributable to owners of parent	54,361	23,216	8,317	2,328	14,806
Profit attributable to owners of parent margin	15.5%	7.3%	2.6%	0.7%	4.2%
(YoY)	90.0%	(57.3)%	(64.2)%	(72.0)%	535.9%
ROE	20.0%	7.5%	2.6%	0.7%	4.5%
ROA	16.4%	7.1%	2.5%	1.8%	4.1%
ROIC	15.7%	5.9%	1.9%	0.5%	3.0%
Yen/USD average exchange rate	111.56 yen	134.20 yen	143.32 yen	152.61 yen	149.99 yen

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Condensed Quarterly Statements of Operations

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	FYE Mar 2025				FYE Mar 2026				FYE Mar 2027	
(¥ in million)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Net sales	81,138	86,718	86,868	86,713	84,810	92,813	88,515	89,201	93,897	112,136
(YoY)	11.7%	4.7%	0.6%	7.3%	4.5%	7.0%	1.9%	2.9%	10.7%	20.8%
(QoQ)	0.4%	6.9%	0.2%	(0.2)%	(2.2)%	9.4%	(4.6)%	0.8%	5.3%	19.4%
Capacitors	55,192	58,278	58,317	60,277	60,197	65,908	61,702	63,962	69,022	83,314
(YoY)	17.1%	12.2%	7.6%	14.7%	9.1%	13.1%	5.8%	6.1%	14.7%	26.4%
(QoQ)	5.0%	5.6%	0.1%	3.4%	(0.1)%	9.5%	(6.4)%	3.7%	7.9%	20.7%
Inductors	13,011	15,963	17,471	15,100	14,839	16,652	17,132	15,694	15,934	18,820
(YoY)	18.5%	1.4%	7.9%	19.4%	14.1%	4.3%	(1.9)%	3.9%	7.4%	13.0%
(QoQ)	2.9%	22.7%	9.5%	(13.6)%	(1.7)%	12.2%	2.9%	(8.4)%	1.5%	18.1%
Others	12,934	12,476	11,078	11,335	9,773	10,251	9,680	9,544	8,941	10,002
(YoY)	(10.8)%	(17.5)%	(30.8)%	(27.5)%	(24.4)%	(17.8)%	(12.6)%	(15.8)%	(8.5)%	(2.4)%
(QoQ)	(17.3)%	(3.5)%	(11.2)%	2.3%	(13.8)%	4.9%	(5.6)%	(1.4)%	(6.3)%	11.9%
Gross profit	17,482	19,884	16,342	17,861	18,184	21,472	22,955	19,317	21,395	30,948
Gross profit margin	21.5%	22.9%	18.8%	20.6%	21.4%	23.1%	25.9%	21.7%	22.8%	27.6%
SG&A	14,851	14,938	15,516	15,804	15,042	15,590	15,460	15,839	16,577	17,570
SG&A ratio	18.3%	17.2%	17.9%	18.2%	17.7%	16.8%	17.5%	17.8%	17.7%	15.7%
Operating profit	2,630	4,945	825	2,057	3,142	5,881	7,494	3,477	4,818	13,378
Operating margin	3.2%	5.7%	1.0%	2.4%	3.7%	6.3%	8.5%	3.9%	5.1%	11.9%
(YoY)	-	81.7%	(83.1)%	1.0%	19.4%	18.9%	807.6%	69.0%	53.3%	127.5%
(QoQ)	29.2%	88.0%	(83.3)%	149.1%	52.7%	87.2%	27.4%	(53.6)%	38.6%	177.7%
Ordinary profit	8,377	(1,617)	6,925	(3,167)	256	7,849	11,694	4,328	4,263	11,642
Profit attributable to owners of parent	6,309	(2,741)	4,598	(5,837)	(876)	6,416	7,086	2,179	2,504	5,631
Profit attributable to owners of parent margin	7.8%	(3.2)%	5.3%	(6.7)%	(1.0)%	6.9%	8.0%	2.4%	2.7%	5.0%
(YoY)	598.6%	-	-	-	-	-	54.1%	-	-	(12.2)%
(QoQ)	35.9%	-	-	-	-	-	10.4%	(69.2)%	14.9%	124.8%
Yen/USD average exchange rate	153.15 yen	154.14 yen	149.04 yen	154.11 yen	146.18 yen	146.33 yen	151.50 yen	155.95 yen	158.80 yen	160.71 yen

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Condensed Balance Sheets and Statements of Cash Flows

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(¥ in million)	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2024	Mar. 31, 2025	Mar. 31, 2026	Sep. 30, 2026
Total assets	474,522	503,462	579,686	573,188	615,536	633,672
Cash and deposits	92,570	87,197	102,783	78,166	100,072	113,986
Notes and accounts receivable - trade	86,585	70,372	81,199	80,549	86,366	96,773
Inventories	96,781	104,815	102,336	110,027	125,836	127,698
Property, plant and equipment	184,936	220,590	273,556	286,837	289,967	277,925
Total liabilities	174,235	184,984	249,587	254,017	271,123	250,425
Notes and accounts payable - trade	32,828	23,012	29,745	27,157	26,477	26,230
Interest-bearing liabilities	72,985	98,936	148,845	164,401	171,213	135,218
Total net assets	300,286	318,478	330,098	319,171	344,412	383,247
Equity-to-asset ratio	63.1%	63.1%	56.8%	55.6%	56.0%	60.5%
Net cash	19,585	(11,738)	(46,062)	(86,235)	(71,140)	(21,231)
D/E ratio	0.24	0.31	0.45	0.52	0.50	0.35

(¥ in million)	FYE Mar 2022	FYE Mar 2023	FYE Mar 2024	FYE Mar 2025	FYE Mar 2026	FYE Mar 2027 1-2Q
Free cash flow	16,693	(20,977)	(31,689)	(29,586)	32,421	20,159
Cash flows from operating activities	67,315	39,460	51,104	33,941	58,117	31,989
Cash flows from investing activities	(50,622)	(60,438)	(82,793)	(63,527)	(25,695)	(11,829)
Cash flows from financing activities	(14,711)	14,485	37,647	3,048	(6,828)	(6,798)

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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.

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