TAIYO YUDEN

Earnings Release Conference

for First Quarter of Fiscal Year Ending March 2027

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

August 5, 2026

Net sales
1Q FYE Mar 2027

93.9 billion yen
(QoQ +5%)

Sales increased, driven primarily by demand for AI servers

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

Operating profit
1Q FYE Mar 2027

4.8 billion yen
(QoQ +39%)

Operating profit increased 39% QoQ, driven by higher capacity utilization

- The effect of higher capacity utilization resulting from higher sales volumes contributes to profit growth.
- The pace of price decreases when comparing the same products improved significantly from the previous quarter.

Earnings forecast
FYE Mar 2027

Net sales **424.0 billion yen**
(YoY +19%)

Operating profit **45.0 billion yen**
(YoY +125%)

Upward revision of the earnings forecast announced in May

- Demand is expanding for high-value-added, high-end products, including those for AI servers.
- The book-to-bill (BB) ratio for capacitors in 1Q was at a high level of 1.72.

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

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

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- Net sales increased by 5% QoQ driven by higher sales of capacitors and inductors, and operating profit rose 39% QoQ.
- The impact of currency fluctuations was increases of ¥6.5 billion in net sales and ¥2.6 billion in operating profit YoY. The impact was increases of ¥1.5 billion in net sales and ¥0.8 billion in operating profit QoQ.

	FYE Mar 2026	FYE Mar 2026	FYE Mar 2027	YoY		QoQ	
(¥ in million)	1Q	4Q	1Q	Change	Change (%)	Change	Change (%)
Net sales	84,810	89,201	93,897	9,086	10.7	4,696	5.3
Operating profit	3,142	3,477	4,818	1,675	53.3	1,340	38.6
Operating margin	3.7%	3.9%	5.1%	1.4%pt	-	1.2%pt	-
Ordinary profit	256	4,328	4,263	4,006	1,560.4	(65)	(1.5)
Profit attributable to owners of parent	(876)	2,179	2,504	3,380	-	325	14.9
Yen/USD average exchange rate	146.18 yen	155.95 yen	158.80 yen	12.62 yen	-	2.85 yen	-
R&D expenses	3,585	3,767	3,401	(184)	(5.1)	(366)	(9.7)
Capital investment	10,930	8,722	7,083	(3,846)	(35.2)	(1,638)	(18.8)
Depreciation expenses	11,432	13,139	11,914	482	4.2	(1,224)	(9.3)

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

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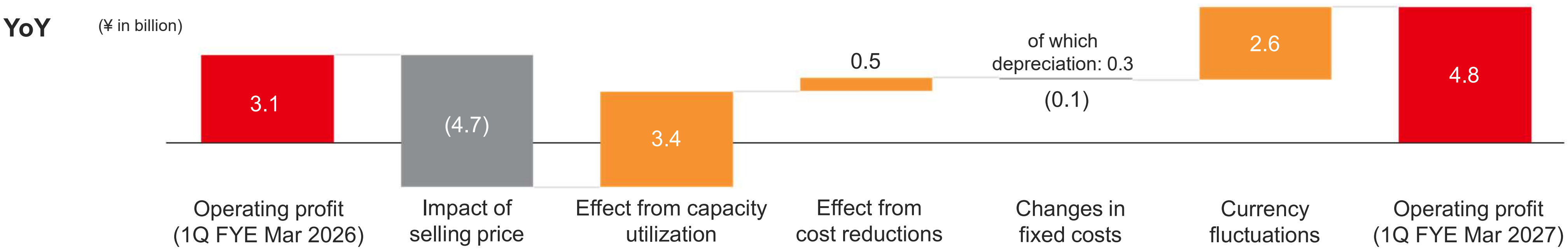
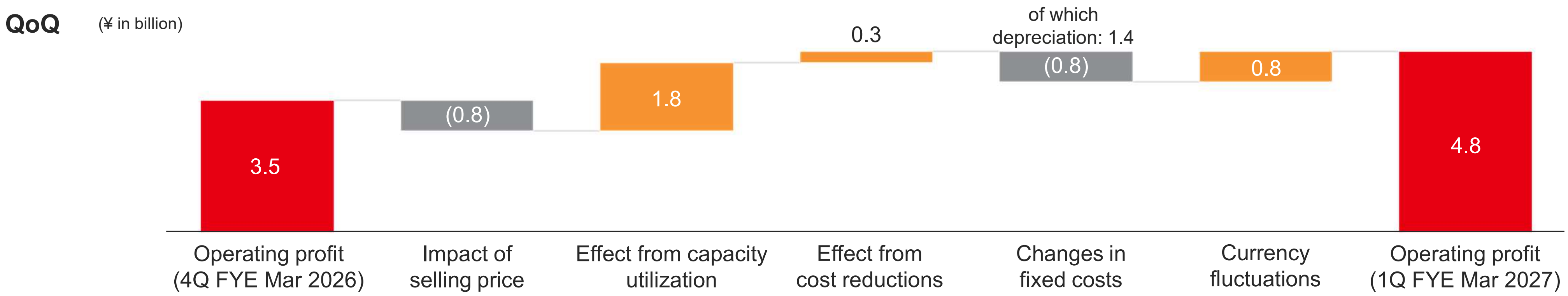
- The effect from capacity utilization was an increase of ¥1.8 billion QoQ. Operating profit increased due to higher sales volume.
- Inventory* remained at the same level as at the end of the previous quarter because of operational constraints due to the impact of logistical disruptions and other factors.
- The pace of price decreases when comparing the same products improved significantly from the previous quarter. The pace remained moderate even compared to the same period of the previous year and the initial forecast.

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





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

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- Net sales of capacitors rose 8% QoQ, driven by a wide range of applications, including IT infrastructure/industrial equipment, such as AI servers, and communication equipment.
- Inductor sales declined for information equipment and related products; however, sales increased for IT infrastructure/industrial equipment and automotive applications. As a result, overall sales were up 2% QoQ.
- The others segment declined 6% QoQ, primarily due to a decline in communication devices.

	FYE Mar 2026	FYE Mar 2026	FYE Mar 2027	YoY		QoQ	
(¥ in million)	1Q	4Q	1Q	Change	Change (%)	Change	Change (%)
Net sales	84,810	89,201	93,897	9,086	10.7	4,696	5.3
Capacitors	60,197	63,962	69,022	8,824	14.7	5,059	7.9
Inductors	14,839	15,694	15,934	1,094	7.4	240	1.5
Others	9,773	9,544	8,941	(832)	(8.5)	(603)	(6.3)

Sales by Application

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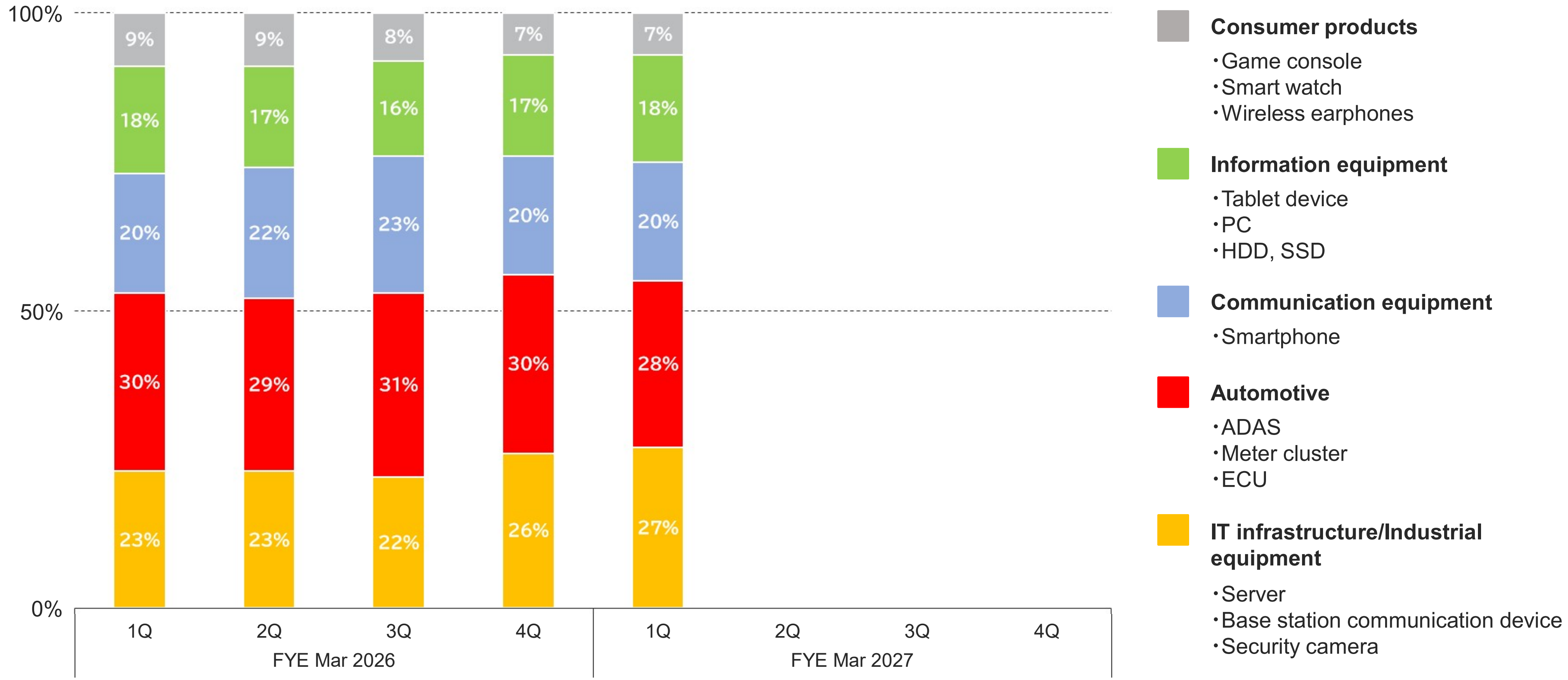
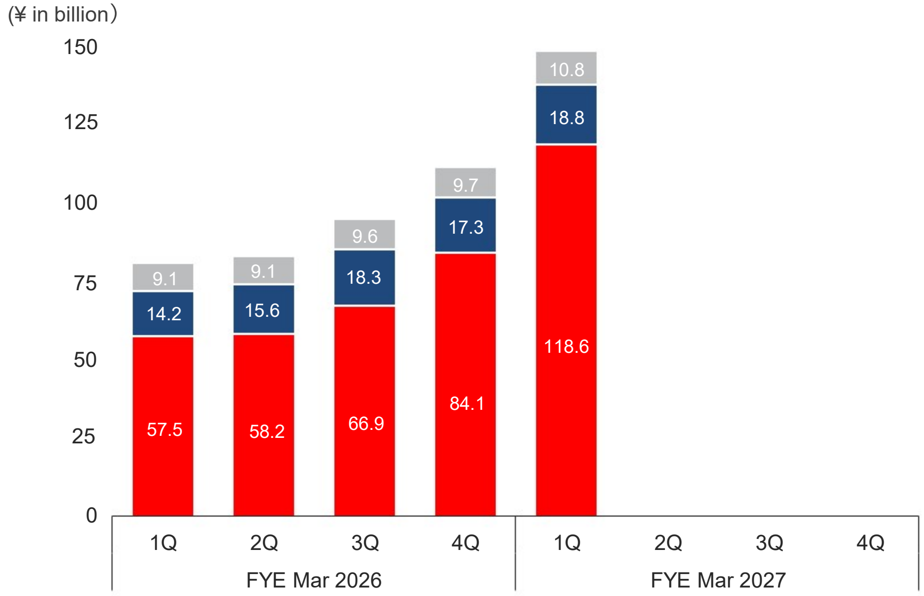
- The combined composition of sales for use in IT infrastructure/industrial equipment and automotive, which TAIYO YUDEN is focusing on, was 55%, remaining at a high level.
- For IT infrastructure/industrial equipment, capacitors used in AI servers drove sales growth.
- Sales of products for use in automobiles declined, mainly owing to sluggish demand in China.



Orders Received and Order Backlog

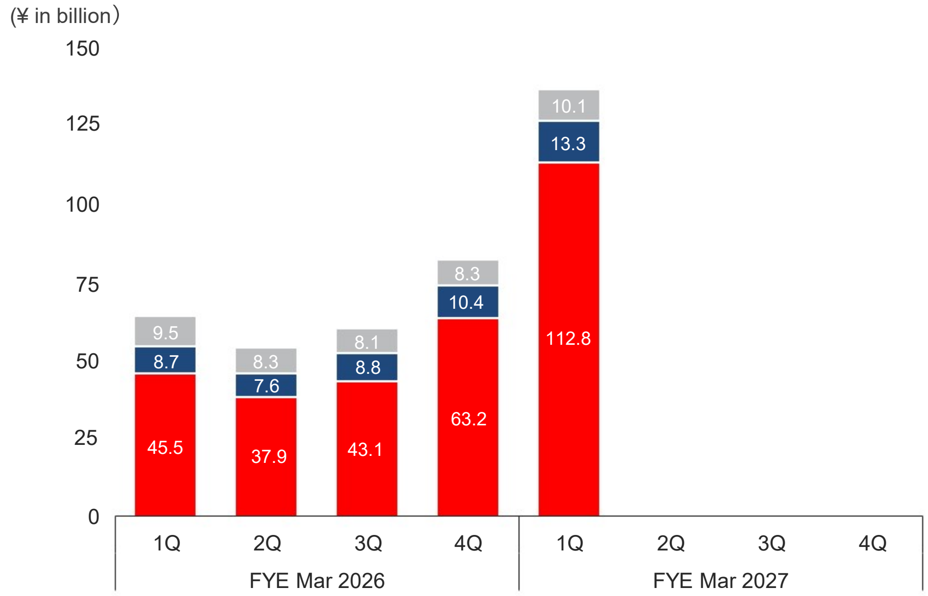
- Orders received for capacitors significantly expanded by 41% QoQ. Due to this, there was also a sharp increase in the order backlog, up 78%.
- Orders for capacitors increased across all applications, primarily products for use in IT infrastructure/industrial equipment, including AI servers, and products for use in information equipment, including memory modules.
- The book-to-bill (BB) ratio rose to 1.58 for all TAIYO YUDEN products and 1.72 for capacitors. Strong demand continues with the BB ratio significantly exceeding 1 following the 1Q.

Orders Received



BB ratio (Company wide)	0.95	0.89	1.07	1.25	1.58			
BB ratio (Capacitors)	0.95	0.88	1.08	1.31	1.72			

Order Backlog



Capacitors Inductors Others

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Forecast of Consolidated Performance
for Fiscal Year Ending March 2027

Demand

- AI server demand is expected to surpass initial expectations, driven by the accelerating trends toward higher capacitance and increased unit counts of multilayer ceramic capacitors.
- Orders received for products for use in information equipment, such as memory modules, were also strong and the capacitor BB ratio in 1Q reached 1.72, signaling robust demand.

Sales

- Sales of high-value-added, high-end products, particularly those for AI servers, are increasing. The depreciation of the yen also contributed to the upward revision.
- The pace of price declines when comparing the same products is expected to be more moderate than initially projected. In addition to the moderation in price decreases in a tight supply and demand environment, we implemented price revisions for some products, mainly products sold through distributors.

Costs

- In line with the increase in production volume, production-related expenses are expected to be higher than initially anticipated.
- The expected cost increases resulting from the surge in resource prices due to the situation in the Middle East, along with the rise in raw material prices and component costs, remain unchanged from the assumptions made at the beginning of the fiscal year.

Consolidated Earnings Forecast for Fiscal Year Ending March 2027

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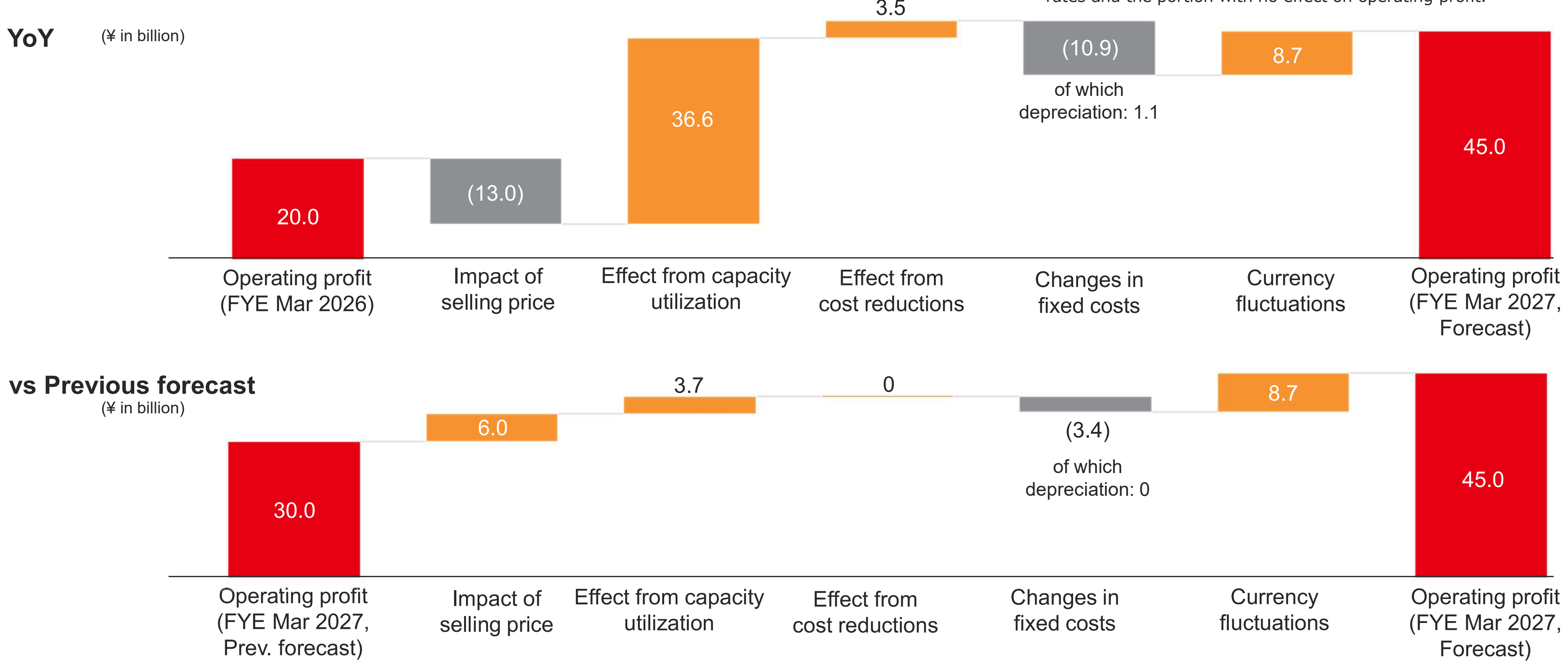
- Upward revision of the earnings forecast announced in May, driven by growing demand for high-value-added products for AI servers and other applications, and the impact of yen depreciation.
- FX sensitivity indicates that a ¥1 fluctuation against the US dollar impacts net sales by ¥1.9 billion and operating profit by ¥0.9 billion.

	FYE Mar 2026	FYE Mar 2027	FYE Mar 2027	YoY		vs Previous forecast	
(¥ in million)	Actual	Prev. Forecast	Forecast	Change	Change (%)	Change	Change (%)
Net sales	355,341	384,000	424,000	68,659	19.3	40,000	10.4
Operating profit	19,996	30,000	45,000	25,004	125.0	15,000	50.0
Operating margin	5.6%	7.8%	10.6%	5.0%pt	-	2.8%pt	-
Ordinary profit	24,129	27,000	42,000	17,871	74.1	15,000	55.6
Profit attributable to owners of parent	14,806	18,000	29,000	14,194	95.9	11,000	61.1
Yen/USD average exchange rate	149.99 yen	150.00 yen	159.70 yen	9.71 yen	-	9.70 yen	-
R&D expenses	14,474	15,000	15,000	526	3.6	0	0.0
Capital investment	40,416	40,000	42,000	1,584	3.9	2,000	5.0
Depreciation expenses	49,148	48,000	50,000	852	1.7	2,000	4.2

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

- YoY: The capacity utilization effect because of higher sales volume and improvements in the product mix will contribute significantly to increase in profit. We plan an ¥3.0 billion increase in inventory*.
- Vs. Previous forecast: The pace of price decreases for the same products is expected to moderate. Additionally, the effect from capacity utilization and the impact of foreign exchange will contribute to the upward revision.

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



Forecast by Product Classification for Fiscal Year Ending March 2027

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- Sales forecasts revised upward for capacitors, driven by IT infrastructure/industrial equipment, particularly AI servers, and inductors, led by information equipment. Projected YoY revenue growth: +26% for capacitors and +11% for inductors.
- Sales forecasts for 'Others' were revised downward, mainly due to aluminum electrolytic capacitor sales falling short of initial projections.

	FYE Mar 2026	FYE Mar 2027	FYE Mar 2027	YoY		vs Previous forecast	
(¥ in million)	Actual	Prev. forecast	Forecast	Change	Change (%)	Change	Change (%)
Net sales	355,341	384,000	424,000	68,659	19.3	40,000	10.4
Capacitors	251,771	282,000	316,500	64,729	25.7	34,500	12.2
Inductors	64,319	65,000	71,500	7,181	11.2	6,500	10.0
Others	39,249	37,000	36,000	(3,249)	(8.3)	(1,000)	(2.7)

Forecast for Second Quarter of Fiscal Year Ending March 2027

- Capacitor sales are expected to increase across all applications, centered on IT infrastructure/industrial equipment, such as AI servers, and information equipment.
- Inductor sales are projected to grow due to seasonal demand for smartphones as well as increased demand for information equipment, including memory modules.
- An increase of ¥1.0 billion in inventories* is planned.

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

(¥ in million)	1Q FYE Mar 2027 Actual	2Q FYE Mar 2027 Forecast of Change Rate
Net sales	93,897	+15%–+19%
Capacitors	69,022	+16%–+20%
Inductors	15,934	+17%–+21%
Others	8,941	+3%–+7%
Yen/USD average exchange rate	158.80 yen	160.00 yen

Appendix

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 41.1% 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	41.1
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	-

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

Condensed Quarterly Statements of Operations

TAIYO YUDEN

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

Condensed Balance Sheets and Statements of Cash Flows

(¥ in million)	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2024	Mar. 31, 2025	Mar. 31, 2026	Jun. 30, 2026
Total assets	474,522	503,462	579,686	573,188	615,536	616,863
Cash and deposits	92,570	87,197	102,783	78,166	100,072	98,533
Notes and accounts receivable - trade	86,585	70,372	81,199	80,549	86,366	89,924
Inventories	96,781	104,815	102,336	110,027	125,836	128,374
Property, plant and equipment	184,936	220,590	273,556	286,837	289,967	284,515
Total liabilities	174,235	184,984	249,587	254,017	271,123	248,603
Notes and accounts payable - trade	32,828	23,012	29,745	27,157	26,477	26,658
Interest-bearing liabilities	72,985	98,936	148,845	164,401	171,213	148,300
Total net assets	300,286	318,478	330,098	319,171	344,412	368,259
Equity-to-asset ratio	63.1%	63.1%	56.8%	55.6%	56.0%	59.7%
Net cash	19,585	(11,738)	(46,062)	(86,235)	(71,140)	(49,767)
D/E ratio	0.24	0.31	0.45	0.52	0.50	0.40

(¥ in million)	FYE Mar 2022	FYE Mar 2023	FYE Mar 2024	FYE Mar 2025	FYE Mar 2026	Note: The statement of cash flows is not prepared for the first quarter.
Free cash flow	16,693	(20,977)	(31,689)	(29,586)	32,421	-
Cash flows from operating activities	67,315	39,460	51,104	33,941	58,117	-
Cash flows from investing activities	(50,622)	(60,438)	(82,793)	(63,527)	(25,695)	-
Cash flows from financing activities	(14,711)	14,485	37,647	3,048	(6,828)	-

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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