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GLOBAL **ELECTRONICS COMMODITY** INTELLIGENCE

Q3 2025 | JULY – SEPTEMBER

JABIL | MADE **POSSIBLE.** MADE **BETTER.**

Executive Summary

Welcome to the Q3 2025 edition of the Commodity Intelligence Report

Supplier Sentiment turns positive with a pickup in demand, short term due to tariff volatility, with early indicators of a more widespread increase.

Supplier sentiment is generally more positive, reflecting modest demand increases. This uptick may be partly driven by global tariff uncertainty and delayed implementations, which are prompting cautious optimism across the business environment.

With the backdrop of normalized inventories, the electronics ecosystem is willing to absorb slightly more inventory to buffer from the complete execution of tariffs, specifically between the US and China. We are seeing more suppliers reporting neutral to favorable book-to-bill ratios. Most factories are still operating below maximum capacity, and for semiconductor companies, wafer starts remain muted. Lead times have remained stable through the current transition of business levels. However, any unplanned spike in demand will likely result in extended lead times.

The only product family running tight is DRAMs, specifically for DDR4, as suppliers migrate production to DDR5 and HBM for data center applications. Additionally, high-performance fiber transceivers supporting the data center infrastructure are in short supply due to supply issues of specialized components, such as lasers, lenses, and other subassemblies.

In general, global suppliers have continued to execute their respective China +1 strategies to help mitigate any potential disruptions resulting from US-China trade tensions. This has driven more business to Vietnam, Malasia, Thailand and India with all companies reviewing multiple supply chain scenarios in respond to changing tariff dynamics. Indigenous Chinese suppliers are experiencing above-average growth, as Chinese OEMs drive their 'China for China' models, favoring China-based suppliers.

Prices remain stable, with some suppliers becoming more aggressive in their efforts to grow or maintain market share. However, rising raw material costs—particularly for copper, gold, and certain rare earth minerals—are driving price increases for commodities such as connectors, select PCBs, and circuit protection devices as suppliers respond to higher input expenses.

Executive Summary (continued)

Additional key trends covered in this report:

- The datacenter business supporting AI applications continues to be highly robust, with hyperscalers committing hundreds of billions of dollars to capital expenditures over the next few years.
- The EV business in China continues to be a bright spot; however, with the aggressive vehicle pricing we are experiencing, it is projected to drive some consolidation of the Chinese EV OEMs.
- China +1 and associated tariff mitigation strategies by suppliers increase some risk of supply disruptions and potentially longer lead times. More OEMs are shifting manufacturing operations outside of China, including a preference for components with a non-China country of origin (COO).
- As suppliers are driven to "localize" supply chains due to pressures from the US, China, and the EU trade tensions, the result could fragment supply chains, raise production costs for multinationals, and affect chip availability and prices globally.

We recommend working closely with your respective Jabil commodity managers to help mitigate supply chain risk and take advantage of new suppliers looking to fill the void for legacy product families.

If you have any questions or require additional support, please contact the commodity management team or me directly.

Graham Scott

VP Global Direct Procurement

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Market Status Summary, 1 of 5

COMMODITY	SUB COMMODITY	SUPPLY				MARKET DYNAMICS				PRICE			
		Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY25	Q4FY25	Q1FY26	Q2FY26
RESISTOR	GENERAL												
RESISTOR	AUTOMOTIVE												
CIRCUIT PROTECTION	*												
FREQUENCY	*												
CAPACITOR-CERAMIC	GENERAL												
CAPACITOR-CERAMIC	AUTOMOTIVE												
CAPACITOR-NON CERAMIC	*												
CAPACITOR-NON CERAMIC	TANTALUM												
CAPACITOR-NON CERAMIC	FILM												
CAPACITOR-NON CERAMIC	ELECTROLYTIC												
FILTER	*												
INDUCTOR	*												
TRANSFORMER	*												

Legend	Supply	Market Dynamics	Price
	Constrained	Churn/ Consolidation	Flat
	Allocation	Exit Market	Increase
	No Constraints	Stable	Decrease

Market Status Summary, 2 of 5

COMMODITY	SUB COMMODITY	SUPPLY				MARKET DYNAMICS				PRICE			
		Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY25	Q4FY25	Q1FY26	Q2FY26
MEMNONVOL	NOR (PARALLEL)												
MEMNONVOL	NOR (SPI)												
MEMNONVOL	NAND (SLC)												
MEMNONVOL	NAND (TLC)												
MEMNONVOL	NAND (MLC)												
MEMNONVOL	NAND (3D NAND)												
MEMNONVOL	EEPROM												
MEMNONVOL	SD CARD												
MEMNONVOL	USB												
MEMNONVOL	MICRO SD CARD												
MEMNONVOL	CF CARD												
MEMNONVOL	EMMC												
MEMNONVOL	UFS												
MEMVOL	SRAM - Asynchronous												
MEMVOL	SRAM - Synchronous												
MEMVOL	SDRAM												
MEMVOL	DDR1												
MEMVOL	DDR2												
MEMVOL	DDR3												
MEMVOL	DDR4												
MEMVOL	LP DDR3,4												
MEMVOL	LP DDR1,2												
MEMVOL	DDR4 RDIMM/UDIMM/SODIMM												
MEMVOL	DDR3 RDIMM/UDIMM/SODIMM												
MEMVOL	DDR1,2 RDIMM/UDIMM/SODIMM												
MEMVOL	MCP/HMC/POP												

Legend	Supply	Market Dynamics	Price
	Constrained	Churn/ Consolidation	Flat
	Allocation	Exit Market	Increase
	No Constraints	Stable	Decrease

Market Status Summary, 3 of 5

COMMODITY	SUB COMMODITY	SUPPLY				MARKET DYNAMICS				PRICE			
		Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY25	Q4FY25	Q1FY26	Q2FY26
SENSOR	*												
SENSOR	MEMS												
SENSOR	TEMPERATURE												
SENSOR	PRESSURE												
SENSOR	MAGNETIC												
SENSOR	IMAGE												
SENSOR	OPTICAL												
SOLID STATE DRIVES	*												
SOLID STATE DRIVES	PCIe/NVMe												
SOLID STATE DRIVES	SAS												
SOLID STATE DRIVES	SATA												
SOLID STATE DRIVES	PCIe/NVMe												
SOLID STATE DRIVES	SAS												
SOLID STATE DRIVES	SATA												
TIMING IC	*												
TIMING IC	CLOCK BUFFERS & DISTRIBUTORS												
TIMING IC	CLOCK GENERATORS & RTC												
TIMING IC	SUB-TIMING IC												
TIMING IC	TIMER												

Legend	Supply	Market Dynamics	Price
	Constrained	Churn/ Consolidation	Flat
	Allocation	Exit Market	Increase
	No Constraints	Stable	Decrease

Market Status Summary, 4 of 5

COMMODITY	SUB COMMODITY	SUPPLY				MARKET DYNAMICS				PRICE			
		Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY25	Q4FY25	Q1FY26	Q2FY26
LOGIC	*												
ANALOG SIGNAL CHAIN	*												
ANALOG SIGNAL CHAIN	INTERFACE												
ANALOG SIGNAL CHAIN	CONVERTER												
ANALOG SIGNAL CHAIN	COMMUNICATION												
ANALOG SIGNAL CHAIN	MULTIMEDIA												
ANALOG POWER	*												
ANALOG POWER	AMPLIFIER												
ANALOG POWER	ANALOG SWITCH												
ANALOG POWER	POWER MANAGEMENT												
DIODE	*												
TRANSISTOR	*												
OPTOELECTRONICS	*												
OPTOELECTRONICS (LED)	LED												

Legend	Supply	Market Dynamics	Price
	Constrained	Churn/ Consolidation	Flat
	Allocation	Exit Market	Increase
	No Constraints	Stable	Decrease

Market Status Summary, 5 of 5

COMMODITY	SUB COMMODITY	SUPPLY				MARKET DYNAMICS				PRICE			
		Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY25	Q4FY25	Q1FY26	Q2FY26
MICROPROCESSOR	*												
PROG LOGIC	*												
CHIP SET	*												
CONNECTOR	Edge Card Connector												
CONNECTOR	Backplane Connector												
CONNECTOR	I/O High Speed												
CONNECTOR	POWER												
CONNECTOR	PCB - Headers and Receptacles												
CONNECTOR	PCB - FFC - FPC												
CONNECTOR	PCB - Memory Card												
CONNECTOR	I/O (Non-High Speed)												
CONNECTOR	RF												
CONNECTOR	Socket												
CONNECTOR	Terminal												
CONNECTOR	Terminal Block												
CONNECTOR	Battery Connector												
CONNECTOR	Other Connectors												
RELAY	*												
SWITCH	*												
PCB	*												

Legend	Supply	Market Dynamics	Price
	Constrained	Churn/ Consolidation	Flat
	Allocation	Exit Market	Increase
	No Constraints	Stable	Decrease

GLOBAL **ELECTRONICS COMMODITY** INTELLIGENCE

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PASSIVE COMMODITIES

JABIL

Passive Market Overview

A surge in demand was observed, particularly following the 90-day tariff pause between the U.S. and China.

Major manufacturers report an improved book-to-bill ratio compared to the previous quarter.

- A sudden surge in demand has been observed, notably following the announcement of the 90-day tariff pause between the US and China.
- Most passive component manufacturers are experiencing a moderate pickup in demand, as reflected in quoted book-to-bill ratios typically ranging between 1.0–1.05 and 1.2.
- Major demand drivers remain AI applications and the Chinese automotive market.
- The average manufacturer capacity utilization rate is around 80%, with inventory levels stabilizing at 2 to 2.5 months.
- Some manufacturers are raising inventory levels to 3-4 months as a contingency plan for locations prone to natural disasters.

Most major manufacturers are China +1 ready. Recent export controls on rare earth elements have had minimal impact on supply.

- Most major manufacturers initiated a China + 1 strategy a few years ago, and its effectiveness is becoming increasingly evident. This approach has helped build supply chain resilience, particularly amid the ongoing reciprocal tariffs between the world's two largest economies. Supply dependence on China has also decreased significantly, with many companies successfully shifting parts of their manufacturing operations to ASEAN countries such as Vietnam, India, Malaysia, Taiwan, and Thailand.
- Our survey on rare earth element export controls indicates that while MLCCs and certain magnetic commodities contain trace amounts of rare earth elements, the quantities involved are minimal. Given the current inventory buffers and dual-sourcing strategies, there is no known supply risk that impacts the production of these components.

Ceramic Capacitors

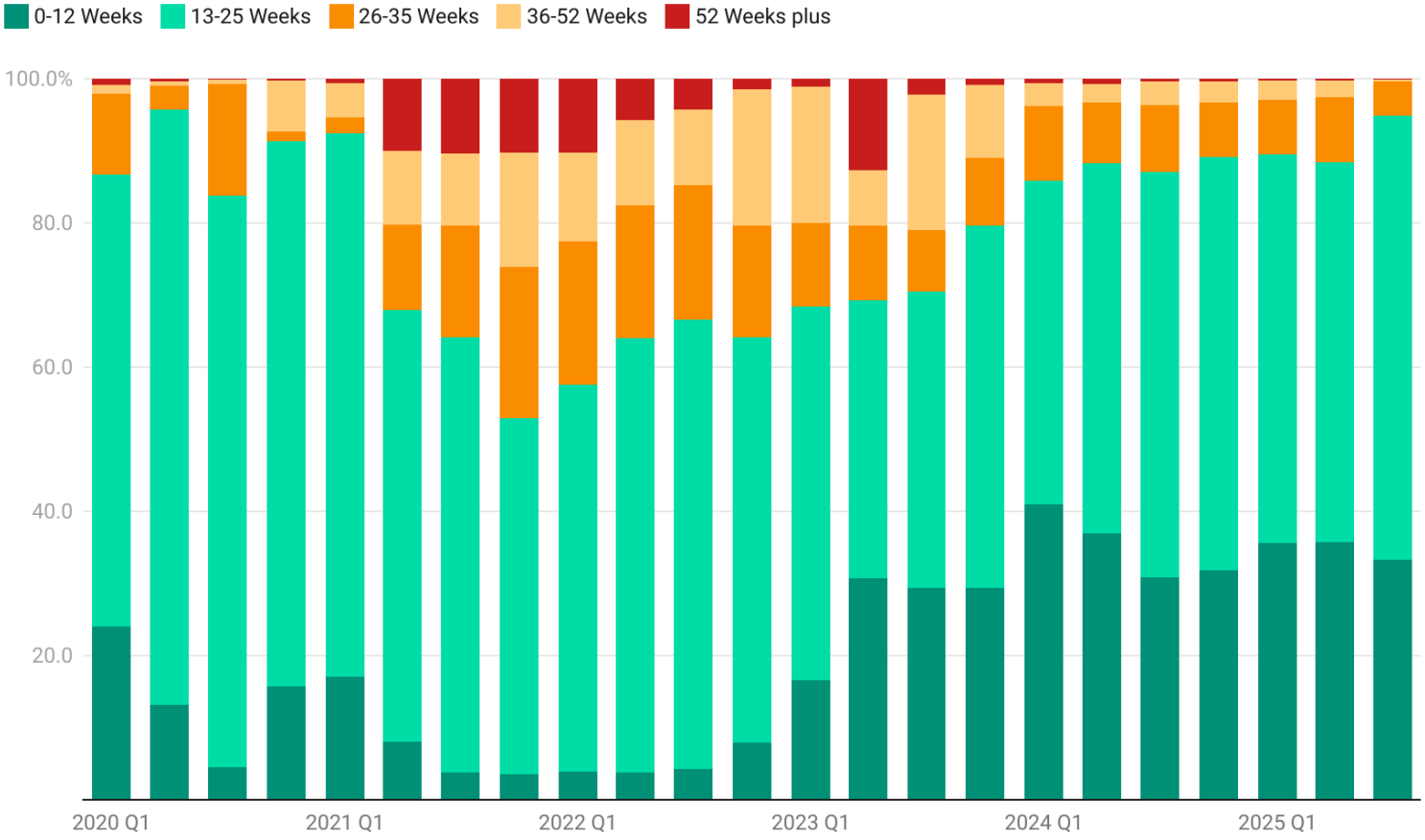
SUPPLY

Commodity	Q3FY25	Q4FY25	Q1FY26	Q2FY26
General				
Automotive				

- All manufacturers currently report book-to-bill ratios above 1, with a select few quoting higher ratios between 1.2 and 1.3. This indicates a modest quarter-over-quarter improvement in order momentum across the sector.
- Most Tier 1 manufacturers have utilization rates between 85% and 90%, reflecting a slight increase compared to the previous period. Tier 2 manufacturers, which primarily handle lower-tech components, also saw an increase in utilization from around 60% to approximately 70%
- High-end AI-related components have limited flexibility for short-notice orders, as major suppliers have observed an uptick in demand and forecasts for the second half of 2025. Sufficient lead time is essential to ensure order fulfillment.
- Supply for legacy components, such as larger case sizes, may face tightening as certain suppliers reallocate capacity to support higher-margin segments like AI and automotive applications
- Lead times for most manufacturers remain broadly stable; however, suppliers emphasize that orders must align with the stated lead times. Notably, some Chinese and Taiwanese manufacturers, operating at lower utilization rates, offer greater flexibility.
- Components used in defense, military, and aerospace applications continue to face supply constraints, leaving limited room for order adjustments.
- Manufacturers are proactively building inventory buffers to hedge against market uncertainties and better absorb potential sudden demand surges.

Ceramic Capacitors (continued)

Ceramic Capacitors: Lead Time Trend



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Ceramic Capacitors (continued)

MARKET DYNAMICS

Commodity	Q3FY25	Q4FY25	Q1FY26	Q2FY26
General				
Automotive				

- The current U.S. tariff situation and weakening downstream demand are creating significant risks for the MLCC market in the second half of 2025. While the 90-day grace period on reciprocal tariffs has offered temporary relief, persistent uncertainty has disrupted supply-demand dynamics in the first half of the year. This raises concerns that the typical seasonal boost in the latter half of 2025 may not materialize as expected.
- While macroeconomic uncertainties and trade policy issues present challenges, sectors such as AI infrastructure and automotive electronics are expected to drive demand for MLCCs through the remainder of 2025.
- We have identified a growing trend among US-based OEMs to shift their manufacturing operations outside of China, coupled with a preference for components with a non-China country of origin (COO). As a result, manufacturers are actively assessing and evaluating alternative locations to optimize their China+1 strategies.

Ceramic Capacitors (continued)

PRICE

Commodity	Q3FY25	Q4FY25	Q1FY26	Q2FY26
General		Sample		
Automotive				

- While cost reduction efforts have generally slowed from most manufacturers, some are adopting alternative strategies based on their corporate direction or target market segments. As a result, maintaining multiple approved vendor listings (AVLs) is strongly recommended to ensure continued price competitiveness.

- Demand for automotive-grade aluminum capacitors has remained stable. However, a notable uptick is expected as the shift from Internal Combustion Engine (ICE) vehicles to Electric Vehicles (EVs) progresses due to the higher content of capacitors per EV. Meanwhile, the Industrial, Renewable Energy, and Consumer sectors have begun to show modest signs of recovery in demand.
- Japanese Electrolytic manufacturers' average capacity utilization is approximately 80%. Lead times for aluminum capacitors have improved significantly. Japanese manufacturers are currently quoting 16-24 weeks lead times, while Taiwanese and Chinese manufacturers are quoting improved lead times of 8-12 weeks.
- The supply situation for hybrid capacitors used in automotive and telecommunications has dramatically improved. Lead times for these hybrid capacitors are now quoted between 16-24 weeks. Capacity utilization has increased to 80%.

Tantalum Capacitors

SUPPLY

Commodity	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Tantalum		Sample		

- Demand for Mn02 Tantalum is expected to be sluggish for the rest of 2025. Overall capacity utilization is approximately 60%, with an average Book-to-Bill ratio of 0.8:1.

- Demand for automotive-grade aluminum capacitors has remained stable. However, a notable uptick is expected as the shift from Internal Combustion Engine (ICE) vehicles to Electric Vehicles (EVs) progresses due to the higher content of capacitors per EV. Meanwhile, the Industrial, Renewable Energy, and Consumer sectors have begun to show modest signs of recovery in demand.
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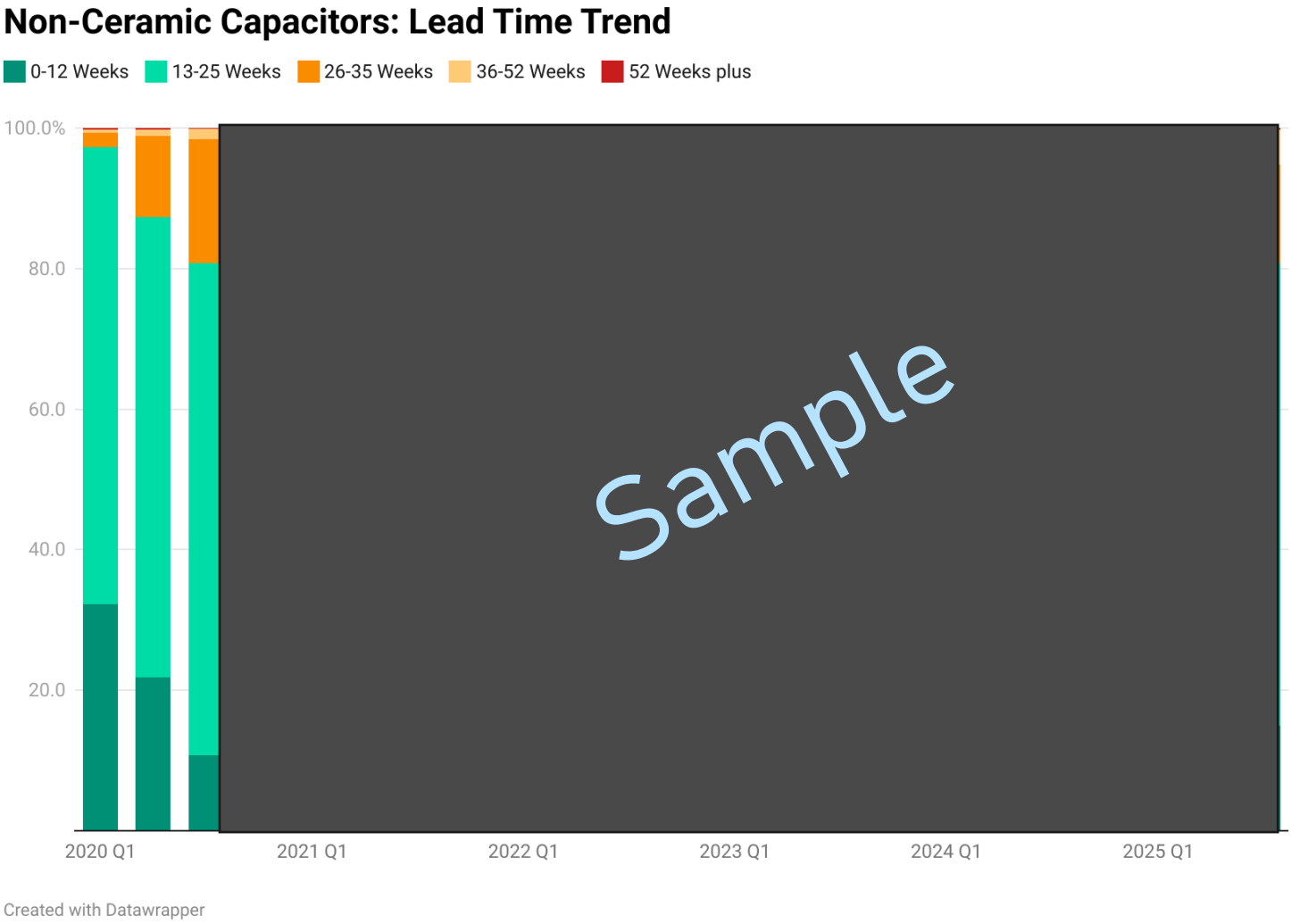
Tantalum Capacitors (continued)



Tantalum Capacitors (continued)

MARKET DYNAMICS

Commodity	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Tantalum				

- MnO2 capacitors are classified as legacy products, and the demand continues to shrink; no further investment is planned for capacity and development. The shift away from these products is due to advancements in both MLCC and polymer capacitor technology
- Demand for automotive-grade aluminum capacitors has remained stable. However, a notable uptick is expected as the shift from Internal Combustion Engine (ICE) vehicles to Electric Vehicles (EVs) progresses due to the higher content of capacitors per EV. Meanwhile, the Industrial, Renewable Energy, and Consumer sectors have begun to show modest signs of recovery in demand.
- Japanese Electrolytic manufacturers' average capacity utilization is approximately 80%. Lead times for aluminum capacitors have improved significantly. Japanese manufacturers are currently quoting 16-24 weeks lead times, while Taiwanese and Chinese manufacturers are quoting improved lead times of 8-12 weeks.
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Tantalum Capacitors (continued)

PRICE

Commodity	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Tantalum				

- Demand for automotive-grade aluminum capacitors has remained stable. However, a notable uptick is expected as the shift from Internal Combustion Engine (ICE) vehicles to Electric Vehicles (EVs) progresses due to the higher content of capacitors per EV. Meanwhile, the Industrial, Renewable Energy, and Consumer sectors have begun to show modest signs of recovery in demand.
- Japanese Electrolytic manufacturers' average capacity utilization is approximately 80%. Lead times for aluminum capacitors have improved significantly. Japanese manufacturers are currently quoting 16-24 weeks lead times, while Taiwanese and Chinese manufacturers are quoting improved lead times of 8-12 weeks.
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Product Type	Pricing Outlook	Key Factors Influencing Pricing
Tantalum MnO_2		
Wet Tantalum & Military Series		
Tantalum Polymer		

Electrolytic/Film Capacitors

SUPPLY

Commodity	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Film				
Electrolytic				

- Demand for aluminum capacitors has softened in the automotive sector in Europe and the US, but we continue to see strong EV demand in China, driven by ongoing technology advancements in autonomous driving and AI. The industrial, renewable energy, and consumer sectors continue to lag in demand.

- Demand for automotive-grade aluminum capacitors has remained stable. However, a notable uptick is expected as the shift from Internal Combustion Engine (ICE) vehicles to Electric Vehicles (EVs) progresses due to the higher content of capacitors per EV. Meanwhile, the Industrial, Renewable Energy, and Consumer sectors have begun to show modest signs of recovery in demand.
- Japanese Electrolytic manufacturers' average capacity utilization is approximately 80%. Lead times for aluminum capacitors have improved significantly. Japanese manufacturers are currently quoting 16-24 weeks lead times, while Taiwanese and Chinese manufacturers are quoting improved lead times of 8-12 weeks.
- The supply situation for hybrid capacitors used in automotive and telecommunications has dramatically improved. Lead times for these hybrid capacitors are now quoted between 16-24 weeks. Capacity utilization has increased to 80%.

Electrolytic/Film Capacitors (continued)

MARKET DYNAMICS

Commodity	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Film				
Electrolytic				

- Several manufacturers are strategically expanding their facilities to accommodate the potential growth of Hybrid capacitors. They are making significant investments to capture market share and drive innovation. Panasonic remains the market leader in terms of technology and is in the process of migrating 40% of its capacity from Japan to Malaysia, with completion expected by 2030.
- Demand for automotive-grade aluminum capacitors has remained stable. However, a notable uptick is expected as the shift from Internal Combustion Engine (ICE) vehicles to Electric Vehicles (EVs) progresses due to the higher content of capacitors per EV. Meanwhile, the Industrial, Renewable Energy, and Consumer sectors have begun to show modest signs of recovery in demand.
- Japanese Electrolytic manufacturers' average capacity utilization is approximately 80%. Lead times for aluminum capacitors have improved significantly. Japanese manufacturers are currently quoting 16-24 weeks lead times, while Taiwanese and Chinese manufacturers are quoting improved lead times of 8-12 weeks.
- The supply situation for hybrid capacitors used in automotive and telecommunications has dramatically improved. Lead times for these hybrid capacitors are now quoted between 16-24 weeks. Capacity utilization has increased to 80%.

Electrolytic/Film Capacitors (continued)

PRICE

Commodity	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Film				
Electrolytic				

- Aluminum and film capacitor pricing is expected to remain flat or see minor reductions in Q3 2025, despite inflated raw material costs, including aluminum foil, copper, and rising electricity and operational costs.

- Demand for automotive-grade aluminum capacitors has remained stable. However, a notable uptick is expected as the shift from Internal Combustion Engine (ICE) vehicles to Electric Vehicles (EVs) progresses due to the higher content of capacitors per EV. Meanwhile, the Industrial, Renewable Energy, and Consumer sectors have begun to show modest signs of recovery in demand.
- Japanese Electrolytic manufacturers' average capacity utilization is approximately 80%. Lead times for aluminum capacitors have improved significantly. Japanese manufacturers are currently quoting 16-24 weeks lead times, while Taiwanese and Chinese manufacturers are quoting improved lead times of 8-12 weeks.
- The supply situation for hybrid capacitors used in automotive and telecommunications has dramatically improved. Lead times for these hybrid capacitors are now quoted between 16-24 weeks. Capacity utilization has increased to 80%.

Magnetics (Includes Inductor, Filter and Transformer)

SUPPLY

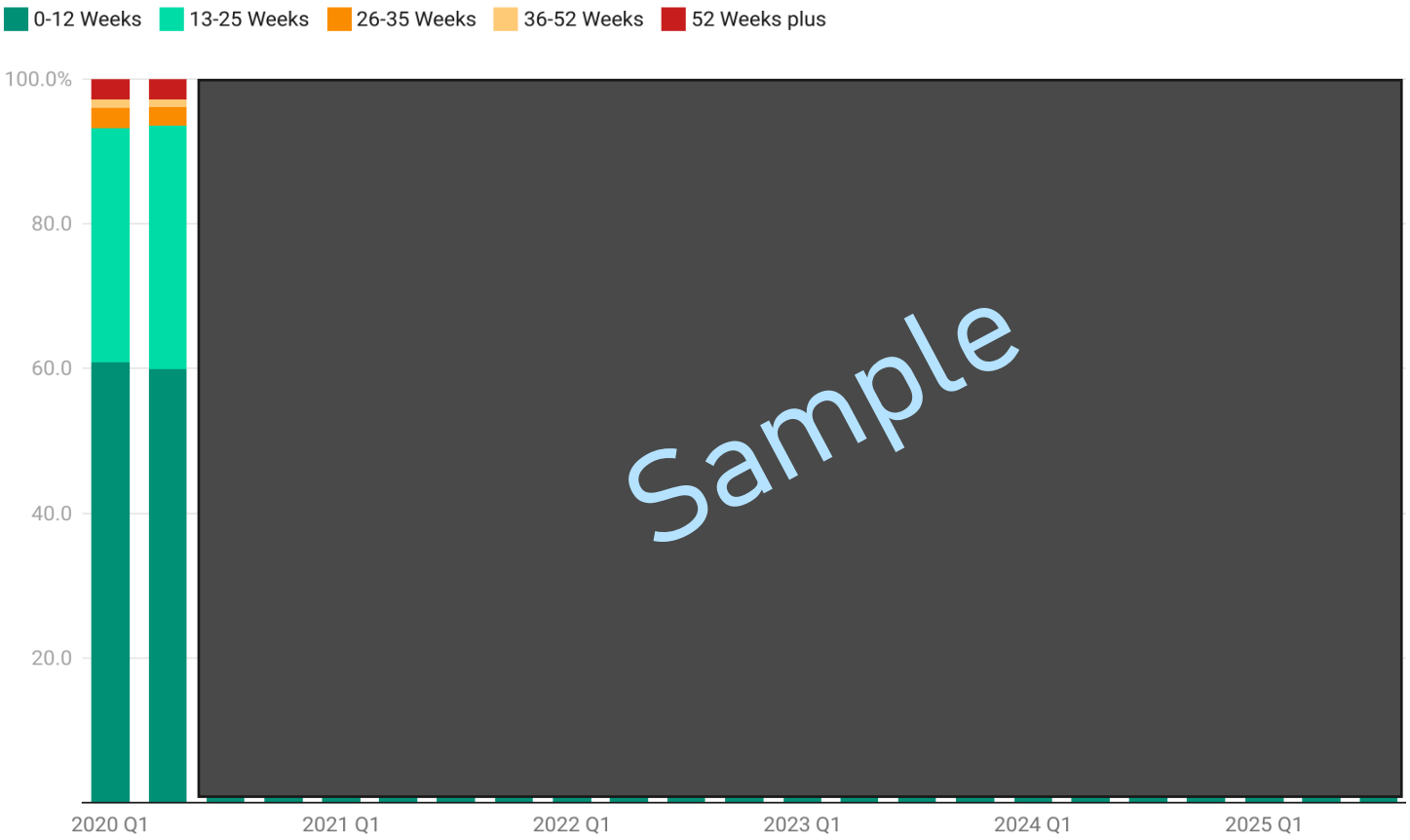
Commodity	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Filter				
Inductor				
Transformer				

- Capacity utilization among most suppliers remains in the 70–85% range, indicating a stable production environment.

- Demand for automotive-grade aluminum capacitors has remained stable. However, a notable uptick is expected as the shift from Internal Combustion Engine (ICE) vehicles to Electric Vehicles (EVs) progresses due to the higher content of capacitors per EV. Meanwhile, the Industrial, Renewable Energy, and Consumer sectors have begun to show modest signs of recovery in demand.
- Japanese Electrolytic manufacturers' average capacity utilization is approximately 80%. Lead times for aluminum capacitors have improved significantly. Japanese manufacturers are currently quoting 16-24 weeks lead times, while Taiwanese and Chinese manufacturers are quoting improved lead times of 8-12 weeks.
- The supply situation for hybrid capacitors used in automotive and telecommunications has dramatically improved. Lead times for these hybrid capacitors are now quoted between 16-24 weeks. Capacity utilization has increased to 80%.

Magnetics (continued)

Inductor: Lead Time Trend

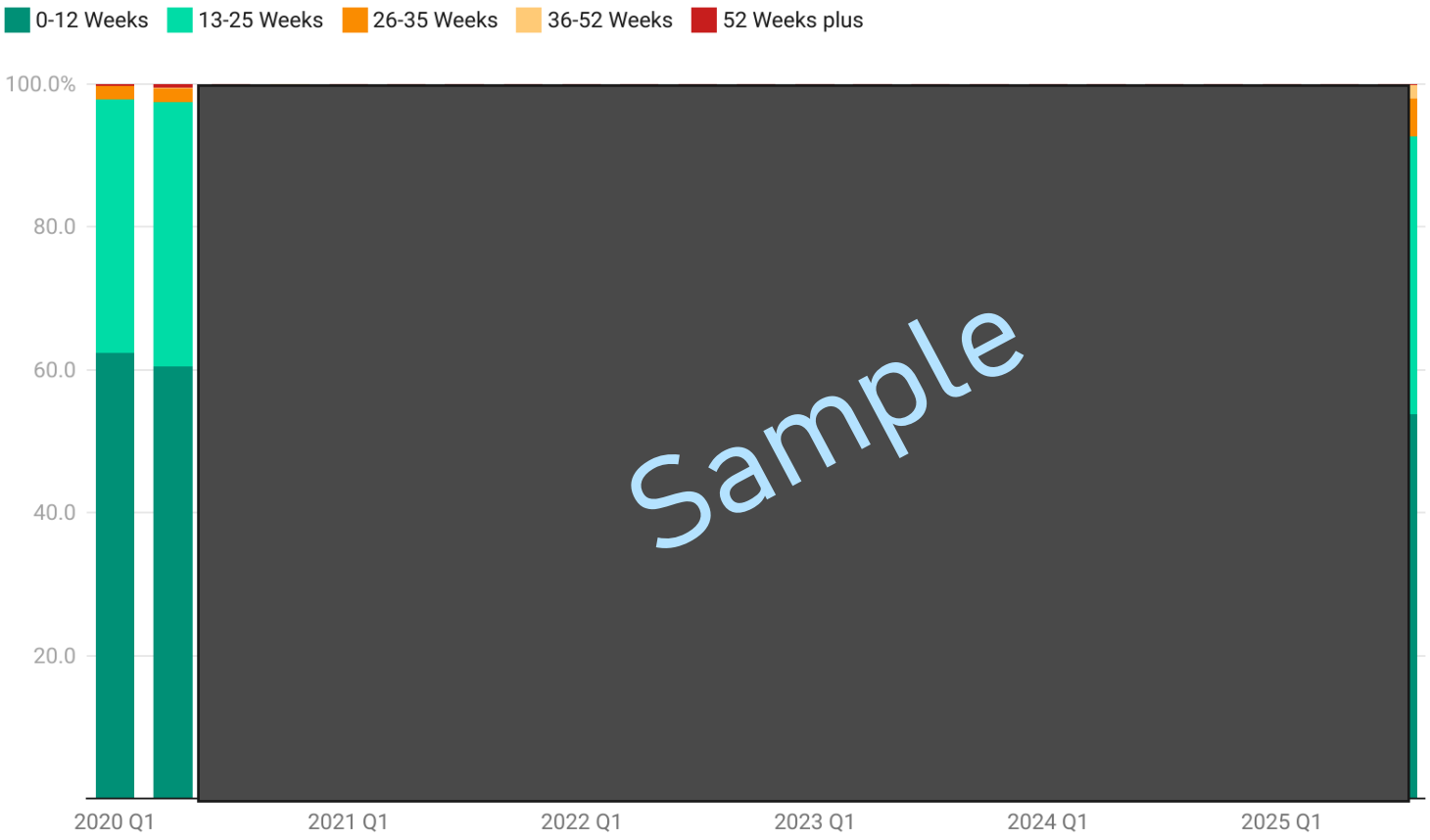


INDUCTOR

- Demand for automotive-grade aluminum capacitors has remained stable. However, a notable uptick is expected as the shift from Internal Combustion Engine (ICE) vehicles to Electric Vehicles (EVs) progresses due to the higher content of capacitors per EV. Meanwhile, the Industrial, Renewable Energy, and Consumer sectors have begun to show modest signs of recovery in demand.
- Japanese Electrolytic manufacturers' average capacity utilization is approximately 80%. Lead times for aluminum capacitors have improved significantly. Japanese manufacturers are currently quoting 16-24 weeks lead times, while Taiwanese and Chinese manufacturers are quoting improved lead times of 8-12 weeks.

Magnetics (continued)

Filter: Lead Time Trend

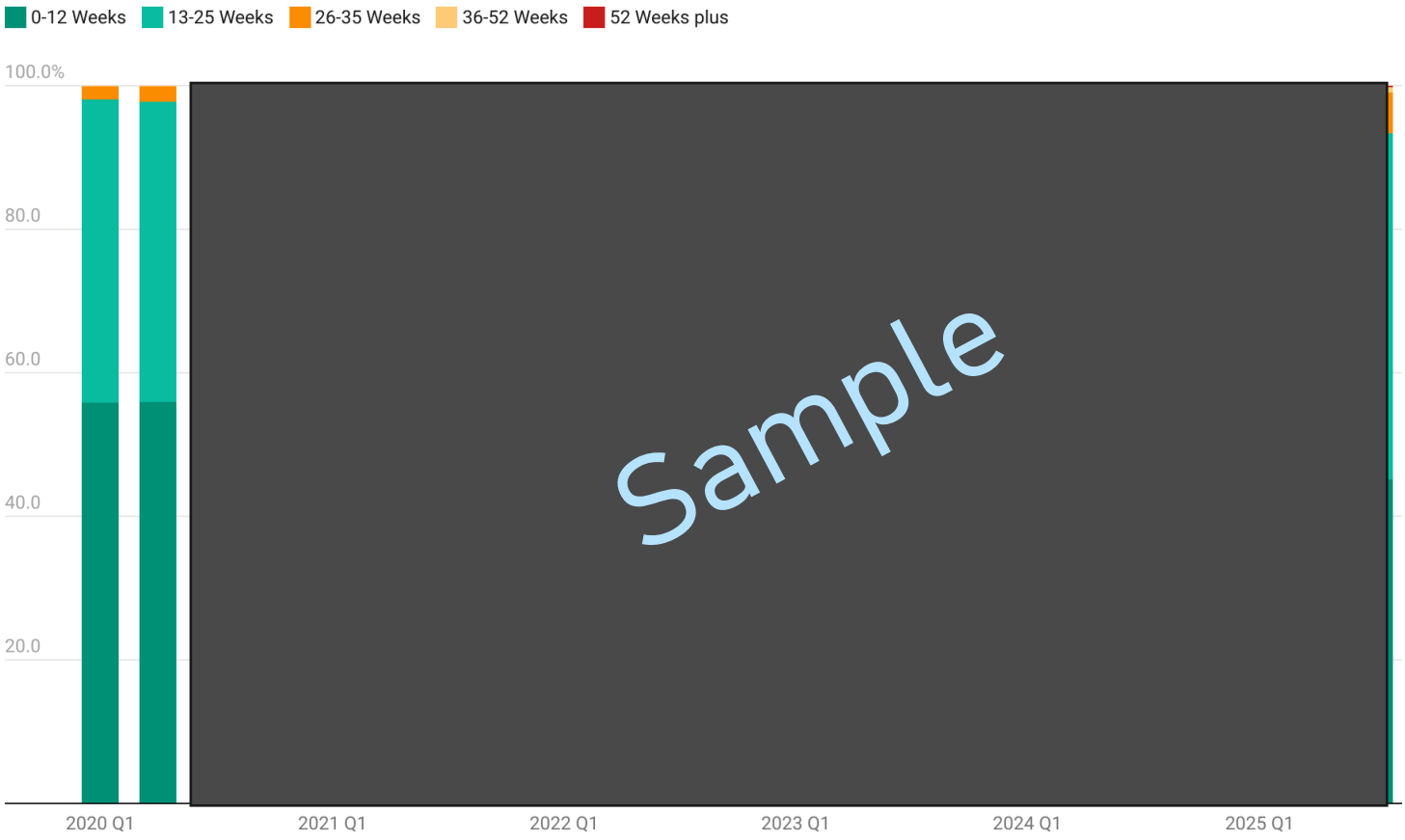


FILTER

- Demand for automotive-grade aluminum capacitors has remained stable. However, a notable uptick is expected as the shift from Internal Combustion Engine (ICE) vehicles to Electric Vehicles (EVs) progresses due to the higher content of capacitors per EV. Meanwhile, the Industrial, Renewable Energy, and Consumer sectors have begun to show modest signs of recovery in demand.
- Japanese Electrolytic manufacturers' average capacity utilization is approximately 80%. Lead times for aluminum capacitors have improved significantly. Japanese manufacturers are currently quoting 16-24 weeks lead times, while Taiwanese and Chinese manufacturers are quoting improved lead times of 8-12 weeks.

Magnetics (continued)

Transformer - Lead Time Trend



TRANSFORMER

- Demand for automotive-grade aluminum capacitors has remained stable. However, a notable uptick is expected as the shift from Internal Combustion Engine (ICE) vehicles to Electric Vehicles (EVs) progresses due to the higher content of capacitors per EV. Meanwhile, the Industrial, Renewable Energy, and Consumer sectors have begun to show modest signs of recovery in demand.
- Japanese Electrolytic manufacturers' average capacity utilization is approximately 80%. Lead times for aluminum capacitors have improved significantly. Japanese manufacturers are currently quoting 16-24 weeks lead times, while Taiwanese and Chinese manufacturers are quoting improved lead times of 8-12 weeks.

Magnetics (continued)

MARKET DYNAMICS

Commodity	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Filter				
Inductor				
Transformer				

- Demand for automotive-grade aluminum capacitors has remained stable. However, a notable uptick is expected as the shift from Internal Combustion Engine (ICE) vehicles to Electric Vehicles (EVs) progresses due to the higher content of capacitors per EV. Meanwhile, the Industrial, Renewable Energy, and Consumer sectors have begun to show modest signs of recovery in demand.
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Manufacturers	Trends
Global Manufacturers	Sample
Chinese Manufacturers	
Taiwanese Manufacturers	

Magnetics (continued)

PRICE

Commodity	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Filter				
Inductor				
Transformer				

- Pricing trends remain stable across most product categories, despite uncertainties in the global trading environment.

- Demand for automotive-grade aluminum capacitors has remained stable. However, a notable uptick is expected as the shift from Internal Combustion Engine (ICE) vehicles to Electric Vehicles (EVs) progresses due to the higher content of capacitors per EV. Meanwhile, the Industrial, Renewable Energy, and Consumer sectors have begun to show modest signs of recovery in demand.
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- The supply situation for hybrid capacitors used in automotive and telecommunications has dramatically improved. Lead times for these hybrid capacitors are now quoted between 16-24 weeks. Capacity utilization has increased to 80%.

Frequency

SUPPLY

Commodity	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Frequency				

- The market remains soft across most major segments, except for automotive and AI-related applications, which continue to see steady demand. Suppliers are exhibiting signs of caution and uncertainty amid broader macroeconomic challenges, with limited visibility into the timing or pace of any sustained market recovery.
- Demand for automotive-grade aluminum capacitors has remained stable. However, a notable uptick is expected as the shift from Internal Combustion Engine (ICE) vehicles to Electric Vehicles (EVs) progresses due to the higher content of capacitors per EV. Meanwhile, the Industrial, Renewable Energy, and Consumer sectors have begun to show modest signs of recovery in demand.
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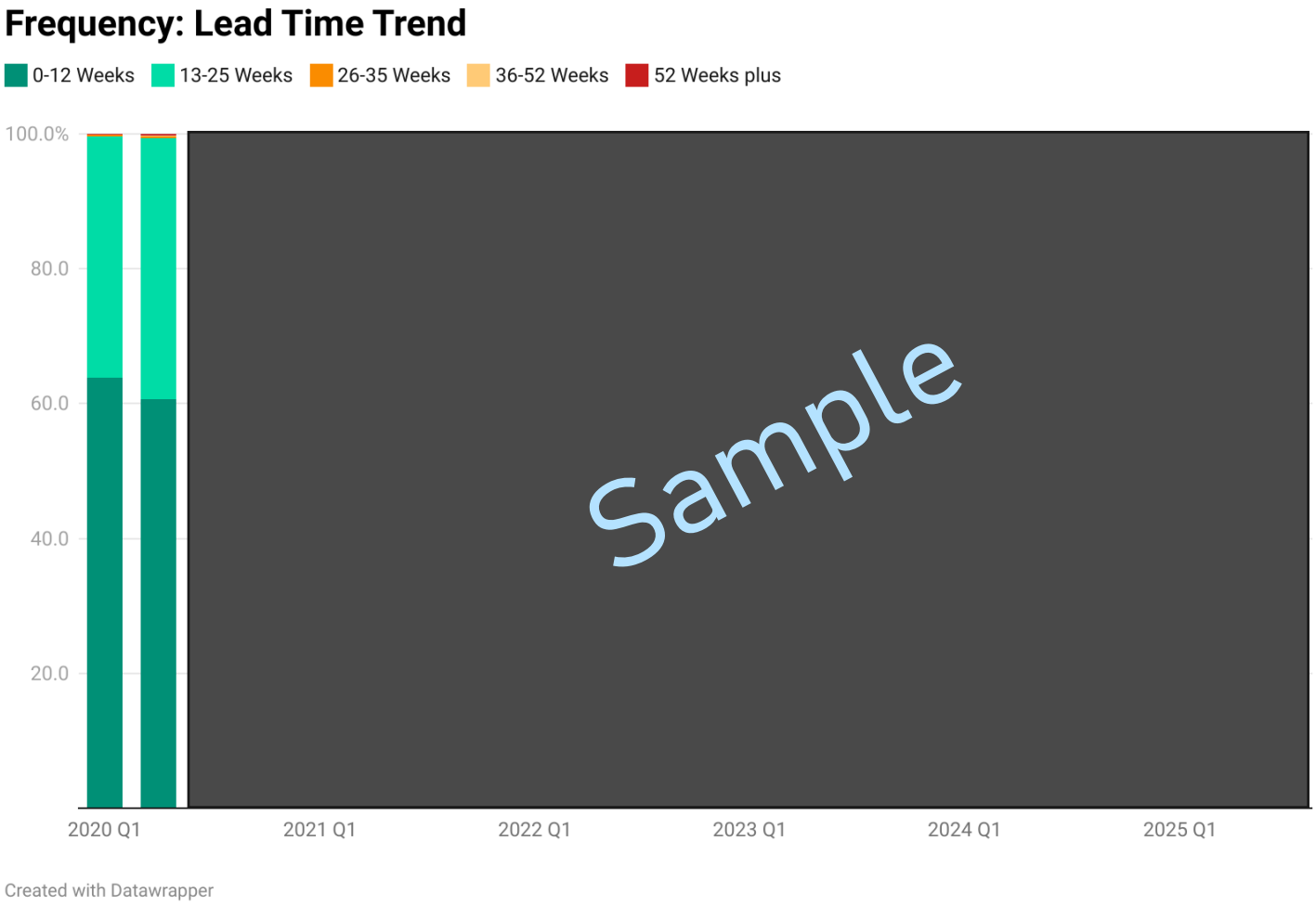
Frequency (continued)



Frequency (continued)

MARKET DYNAMICS

Commodity	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Frequency				

- Political tension between the US and China is prompting suppliers to seek manufacturing sites outside of China.

- Demand for automotive-grade aluminum capacitors has remained stable. However, a notable uptick is expected as the shift from Internal Combustion Engine (ICE) vehicles to Electric Vehicles (EVs) progresses due to the higher content of capacitors per EV. Meanwhile, the Industrial, Renewable Energy, and Consumer sectors have begun to show modest signs of recovery in demand.
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Frequency (continued)

MARKET DYNAMICS (cont.)

- NEL Frequency Controls is now fully integrated into Abracon.

- Demand for automotive-grade aluminum capacitors has remained stable. However, a notable uptick is expected as the shift from Internal Combustion Engine (ICE) vehicles to Electric Vehicles (EVs) progresses due to the higher content of capacitors per EV. Meanwhile, the Industrial, Renewable Energy, and Consumer sectors have begun to show modest signs of recovery in demand.
- Japanese Electrolytic manufacturers' average capacity utilization is approximately 80%. Lead times for aluminum capacitors have improved significantly. Japanese manufacturers are currently quoting 16-24 weeks lead times, while Taiwanese and Chinese manufacturers are quoting improved lead times of 8-12 weeks.
- The supply situation for hybrid capacitors used in automotive and telecommunications has dramatically improved. Lead times for these hybrid capacitors are now quoted between 16-24 weeks. Capacity utilization has increased to 80%.

Frequency (continued)

Manufacturer Expansion & Relocation Plans

Manufacturer	New/Planned Location(s)	Key Focus/Initiative	Expected Timeline
TXC			
Raltron			
Taitien			
Hosonic			
Siward			
Diodes			
Kyocera			
Murata			

Frequency (continued)

PRICE

Commodity	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Frequency				

- Prices are trending downwards, particularly for smaller-sized crystals, where cost reductions are becoming increasingly common. Suppliers are adopting more aggressive pricing strategies to preserve or grow their market share amid heightened competitive pressure.

- Demand for automotive-grade aluminum capacitors has remained stable. However, a notable uptick is expected as the shift from Internal Combustion Engine (ICE) vehicles to Electric Vehicles (EVs) progresses due to the higher content of capacitors per EV. Meanwhile, the Industrial, Renewable Energy, and Consumer sectors have begun to show modest signs of recovery in demand.
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Circuit Protection

SUPPLY

Commodity	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Circuit Protection				

- The general capacity utilization rate ranges from 70% to 80%. However, Circuit-Breaker products demonstrated a 60% utilization, contrasting with Varistor products, which achieved 90% utilization.

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- Japanese Electrolytic manufacturers' average capacity utilization is approximately 80%. Lead times for aluminum capacitors have improved significantly. Japanese manufacturers are currently quoting 16-24 weeks lead times, while Taiwanese and Chinese manufacturers are quoting improved lead times of 8-12 weeks.
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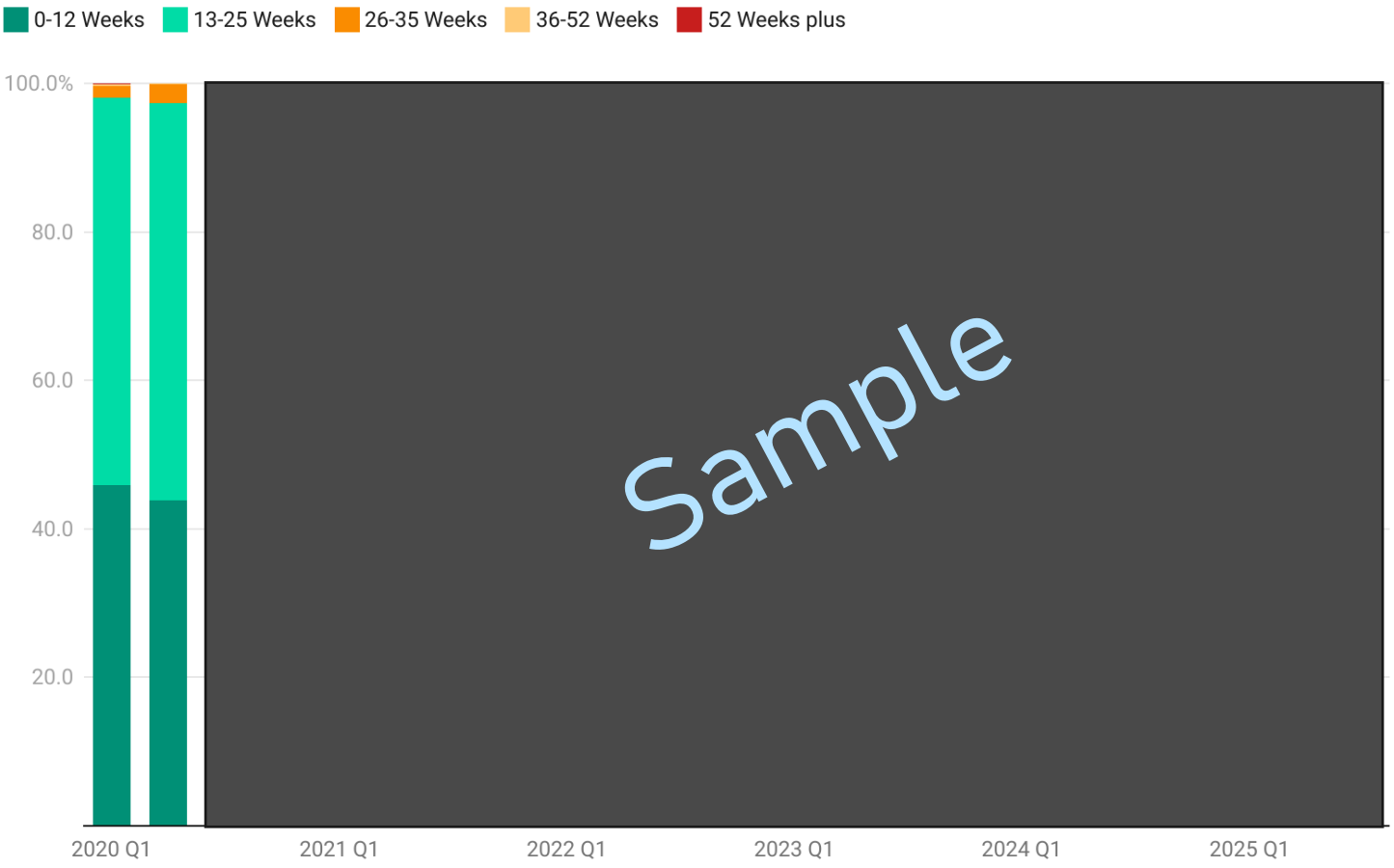
Circuit Protection (continued)

SUPPLY

Circuit Protection: Lead Time Trend



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Circuit Protection (continued)

MARKET DYNAMICS

Commodity	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Circuit Protection				

- Circuit protection devices are forecasted to continue growing across a broad spectrum of application segments, including automotive, data center infrastructure, and industrial applications.

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Circuit Protection (continued)

PRICE

Commodity	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Circuit Protection				

- Silver and Copper continue to fluctuate amidst the current economic situation.
- Gold reached a new high in April and has oscillated between USD 3,000 and 3,300 per ounce levels.

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Resistors

SUPPLY

Commodity	Q3FY25	Q4FY25	Q1FY26	Q2FY26
General				
Automotive				

- A modest to gradual market recovery is projected in the second half of 2025, primarily driven by growth in the Artificial Intelligence (AI) and Automotive sectors, particularly from the China EV segment. The fluid U.S. tariff situation has led to a significant rise in demand, and customers aim to capitalize on the temporary pause in reciprocal tariffs.

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- Japanese Electrolytic manufacturers' average capacity utilization is approximately 80%. Lead times for aluminum capacitors have improved significantly. Japanese manufacturers are currently quoting 16-24 weeks lead times, while Taiwanese and Chinese manufacturers are quoting improved lead times of 8-12 weeks.
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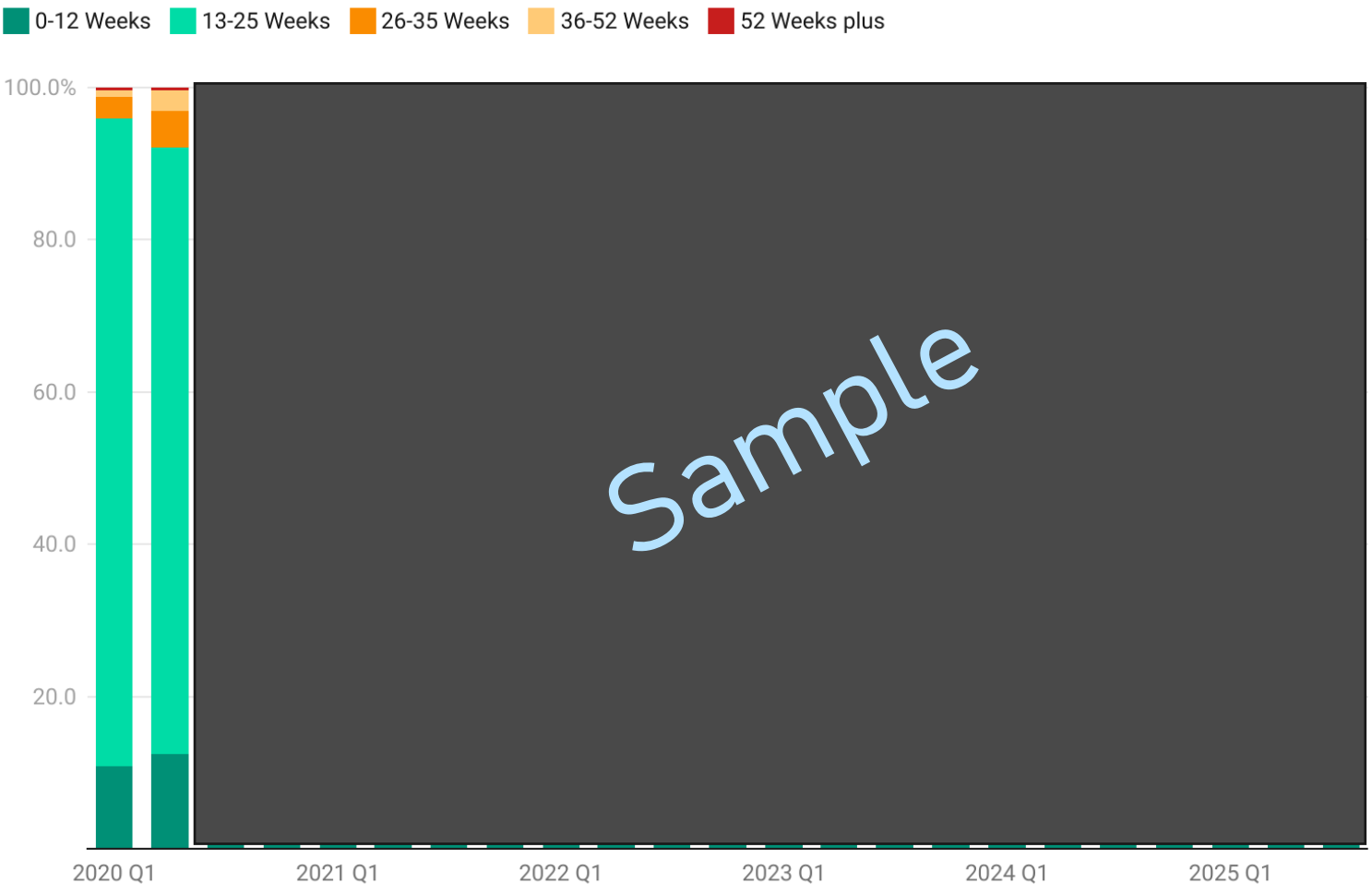
Resistors (continued)

Resistors Lead Time Trend



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Resistors (continued)

MARKET DYNAMICS

Commodity	Q3FY25	Q4FY25	Q1FY26	Q2FY26
General				
Automotive				

RAPID TRANSFORMATION OF TECHNOLOGY IN THE COMPETITIVE LANDSCAPE

- Resistors continue to be a key component in every segment or application. The projected usage is expected to increase steadily to accommodate technological advancements.

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Resistors (continued)

MARKET DYNAMICS (cont.)

CAPACITY EXPANSION PLANS

- Major resistor manufacturers are making substantial investments in capacity expansion, in anticipation of sustained market growth through to 2030. These investments are precisely focused on thick film, thin film, and current sense products, which are essential to accelerating the development of applications across the AI & Automotive industries. Production output is increasing gradually, with a notable acceleration projected for 2026.

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Resistors (continued)

PRICE

Commodity	Q3FY25	Q4FY25	Q1FY26	Q2FY26
General				
Automotive				

- Prices for general and automotive-grade resistors have remained flat to slightly decreasing, whereas prices for military-grade products have ranged from flat to increasing.

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Thank You