

TAIYO YUDEN

TAIYO YUDEN CO., LTD.

# INTEGRATED REPORT 2025

## We are a global manufacturer of electronic components that develops and manufactures products indispensable to people's lives

TAIYO YUDEN develops, manufactures, and sells electronic components for use in a range of electronic equipment that are essential to people's lives, including smartphones and other communication equipment, automobiles, and IT infrastructure/industrial equipment. We take great pride in our advanced technological capabilities, constantly leading in cutting-edge electronic components and delivering our products worldwide.

### — TAIYO YUDEN by the numbers —

Number of years since founding

**75**

Multilayer ceramic capacitor (MLCC)

Global market share **No.3**

(As of FY2024 (According to in-house research))

Reference: **No. of MLCCs used in electronic equipment** (As of April 2025 (According to in-house research))



Per smartphone\*

Approx. **1,500** \*High-end model



Per electric vehicle

Approx. **10,000**



Per AI server

Approx. **10,000 to 20,000**

Net sales

¥ **341.4** billion  
(FY2024)

Operating margin

**3.1** %  
(FY2024)

ROE

**0.7** %  
(FY2024)

ROIC

**0.5** %  
(FY2024)

GHG emissions  
reduction ratio

(Compared to FY2020)  
**(20.9)** %  
(FY2024)

Waste reduction  
ratio

(Compared to FY2020)  
**(0.3)** %  
(FY2024)

Water usage reduc-  
tion ratio

(Compared to FY2020)  
**(10.2)** %  
(FY2024)

Accident frequency  
rate\*

**0.13**  
(FY2024)

Work engagement

**2.28**  
(FY2024)

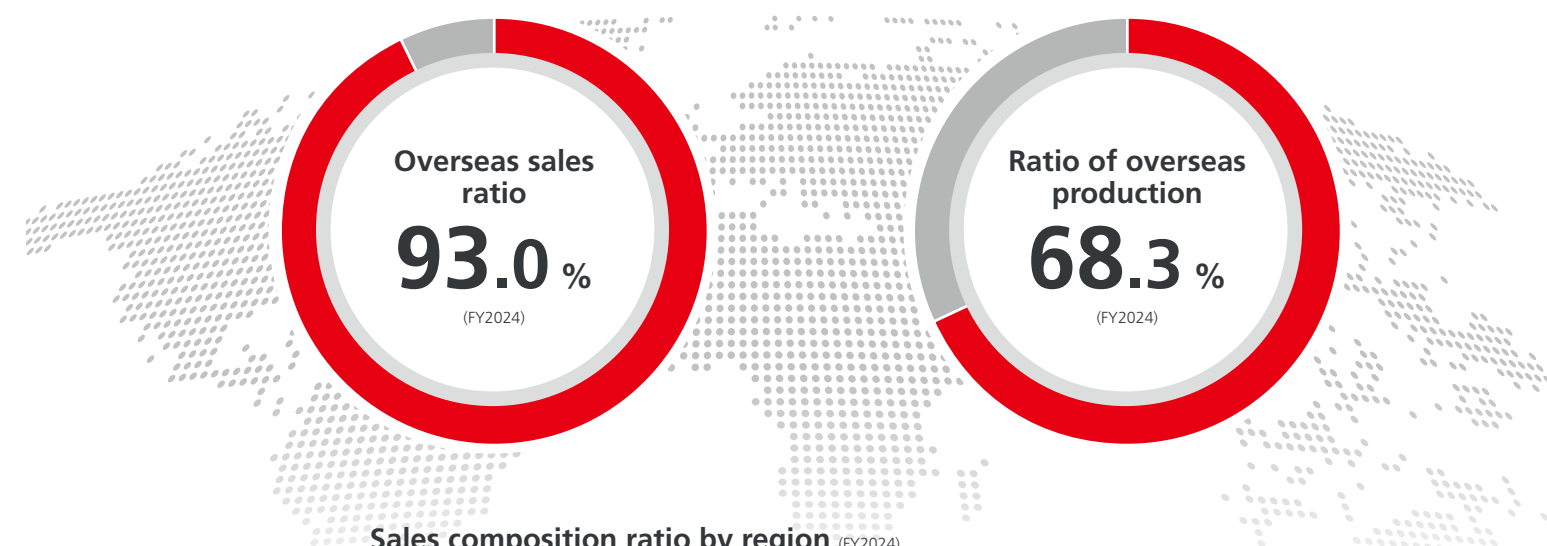
Rate of newly recruited  
female graduates

**36.4** %  
(As of April 1, 2025)

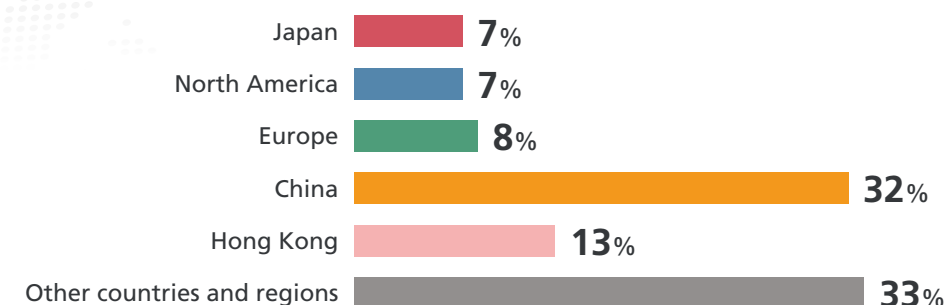
Female manager ratio

**6.5** %  
(As of April 1, 2025)

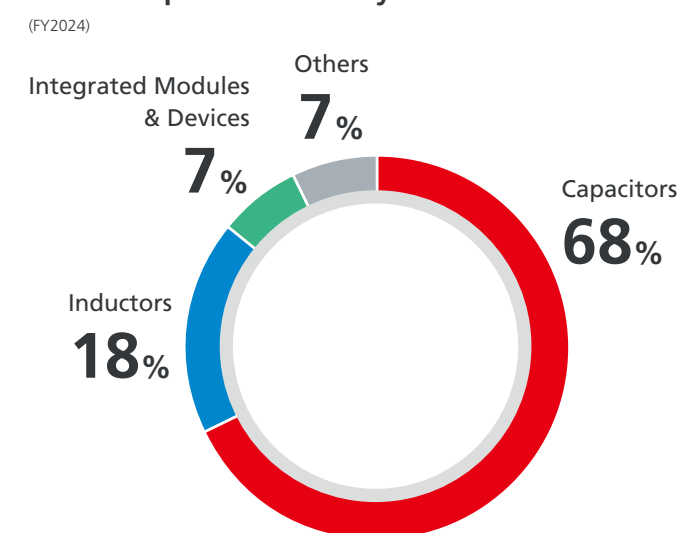
\*Accident frequency rate = Number of the victims of occupational injury (at least one workday lost) ÷ Total actual number of hours worked by registered workers x 1,000,000. The average rate in the Japanese manufacturing industry in FY2024 was 1.30.



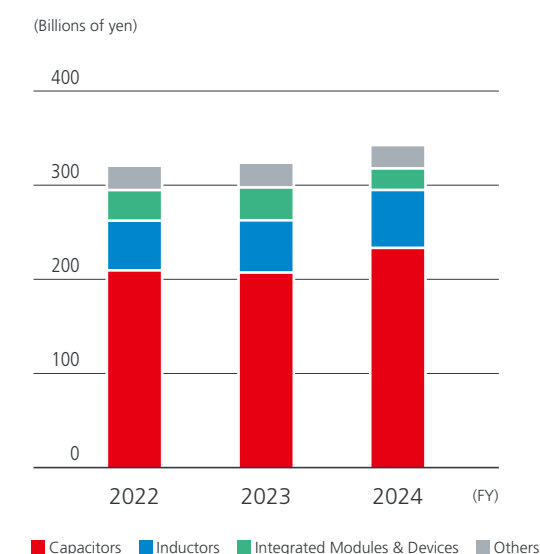
Sales composition ratio by region (FY2024)



Sales composition ratio by market sector (FY2024)



Net sales (Billions of yen)



# Company Profile

## On the Publication of the Integrated Report 2025

TAIYO YUDEN's Integrated Report explains our Group's value-creation activities aimed at enhancing corporate value by improving both economic and social value, through specific strategies and initiatives.

This fiscal year marks the final year of our five-year medium-term management plan 2025, which began in FY2021. In areas where achieving targets has proven challenging, we are thoroughly analyzing issues and implementing countermeasures, steadily preparing for growth under the next medium-term plan. In this report, we have expanded our explanations of these initiatives, We also share our approach to the role of the Board of Directors following our transition to a company with an Audit & Supervisory Committee.

In preparing this report, we incorporated feedback received through dialogue with our stakeholders, and management and executive divisions worked together to ensure an appropriate process. We hope this report will help you gain a deeper understanding of TAIYO YUDEN.

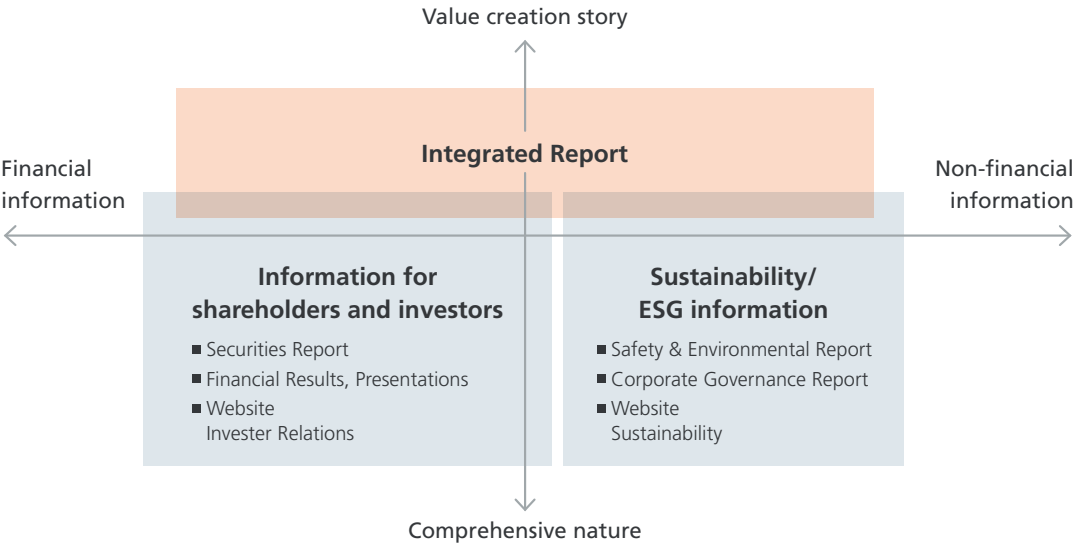
We will continue to value dialogue with our stakeholders and strive to enhance both the quality and transparency of our information disclosure.

October 2025  
Director, Senior Executive Operating Officer

Tomomitsu Fukuda

Departments involved in the publication of the Integrated Report 2025 (in alphabetical order)  
TAIYO YUDEN CO., LTD.  
Accounting Management Department, General Affairs Department, Human Resources Department, Intellectual Property Department, Legal Department, Management Information System Department, President's Office, Procurement Management Department, Public Relations Department, Quality Assurance Department, and Research and Development Laboratory

Information Disclosure Structure



Scope of Report

This report covers (as of March 31, 2025) 31 companies, comprising TAIYO YUDEN, 9 domestic subsidiaries and 21 overseas subsidiaries.

Reference Guidelines

For editing purposes, reference was made to the International Integrated Reporting Framework recommended by the IFRS Foundation and the Guidance for Collaborative Value Creation provided by the Ministry of Economy, Trade and Industry. For ESG-related information, we referred to the Ministry of the Environment's Environmental Reporting Guidelines (2018 version). We also used the GRI Standards as a reference guideline.



Our GRI Standard Comparison Table can be viewed on our website:



<https://www.yuden.co.jp/en/sustainability/misc/GRI/>

For details on TAIYO YUDEN's financial and non-financial information, please visit our website at:



Investor Relations  
<https://www.yuden.co.jp/en/ir/>



Sustainability  
<https://www.yuden.co.jp/en/sustainability/>

With  
interactive  
features

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Notes

- In this report, the fiscal year will be displayed as follows.  
Example: April 1, 2024 to March 31, 2025 FY 2024 or fiscal year ended March 2025
- The figures in this report omit amounts less than hundred million yen and 1 million yen and displays it.
- The English-language version of this report is based on the Japanese language version. With the exception of the financial statements, all figures presented have been rounded down to the nearest appropriate unit. As a result, there are cases when a presented figure differs slightly from the equivalent figure in the financial statements.
- The contents of this report are correct as of June 27, 2025. Some of the content includes information from after that date.
- The company names, system names and product names described in this report are trademarks or registered trademarks of the respective companies.

Disclaimer

This report is intended to provide information about the business performance and strategies of the TAIYO YUDEN Group. It is not intended as an inducement to purchase or sell stock in TAIYO YUDEN. Statements in this report that are not historical fact are forward-looking statements based on the current beliefs, estimates and expectations of TAIYO YUDEN Group management. As these beliefs, estimates and expectations are subject to a number of risks, uncertainties and assumptions, actual results may differ materially. TAIYO YUDEN undertakes no obligation to update any forward-looking statements, and shall in no event be liable for any damages arising out of the use or interpretation of this material. Please refrain from copying or disseminating this material without the prior consent of TAIYO YUDEN.

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## Section 1

[ Value Creation Story ]

# OUR STORY

— Steadily Accumulating Value —



In 1950, TAIYO YUDEN started selling its first product, barium titanate tubular ceramic capacitors. This product was used as an essential component in radios, which were the leading form of entertainment at the time, and helped to bring enjoyment to people's lives. Later, our multilayer ceramic capacitors (MLCCs) and other electronic components have helped to advance progress in TVs, video recorders, CD players, PCs, mobile phones, smartphones, automobiles, AI servers, and many other kinds of electronic equipment. We have steadily built up value by working toward greater comfort and convenience for people and by addressing social issues.

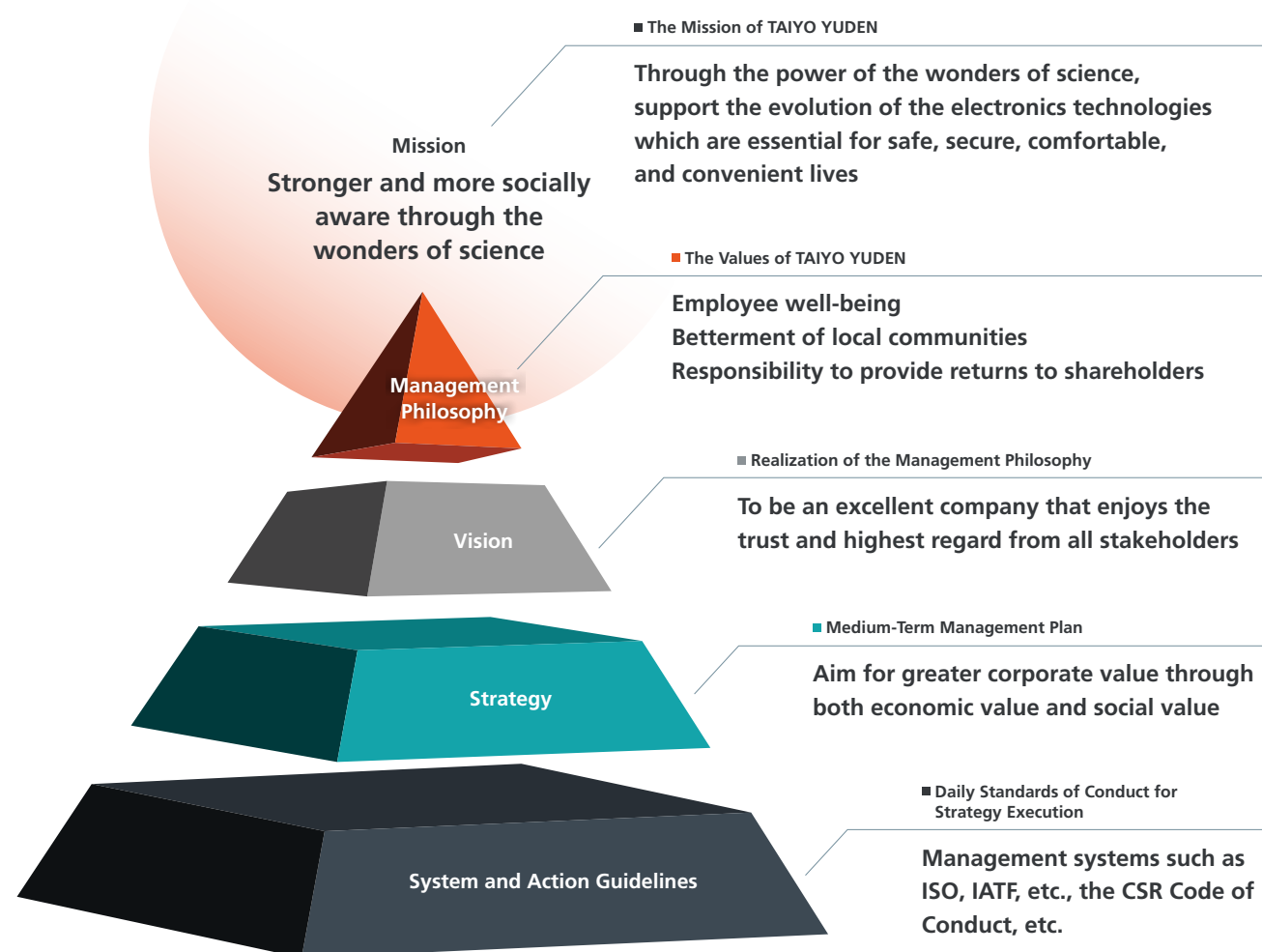
# Mission, Management Philosophy, Vision

## Stronger and more socially aware through the wonders of science

TAIYO YUDEN's electronic components are critical in the manufacturing of various pieces of electronic equipment. Our products support the evolution of electronics technology that is indispensable for people's safe, secure, comfortable, and convenient lives.

In order to create, advance, and deliver these small but important electronic components to every corner of society, we are seeking to broaden and increase the depth of new knowledge while pursuing the sophistication of our technologies and skills. Meanwhile, the strengths that we have accumulated throughout our history have generated incidental discoveries and inspirational encounters, which opened the door to unexpected future of innovative solutions and expansion into new areas of scientific advancement. The foundation of this process is "the wonders of science," which is the source of TAIYO YUDEN's corporate value enhancement.

We will provide electronic components to the world and create greater economic value. As a company that contributes to the realization of a better society, we will continue to enhance social value. As a member of society, our constant and enduring aspiration is to fulfill this mission.



Base Material Plant (Takasaki Plant), around 1957

### [ Management Philosophy of TAIYO YUDEN ]

Employee well-being

Betterment of local communities

Responsibility to provide returns to shareholders

Hikohachi Sato, the founder of TAIYO YUDEN, worked as a researcher in ceramic materials before the second world war. Following the belief that 'product commercialization should start from the development of materials,' Mr. Sato launched TAIYO YUDEN to develop and commercialize titanium-oxide porcelain capacitors in 1950.

He also believed that affection for others was the most valuable thing a person could have. The Company's management philosophy has three major components, all of which are designed to improve the social nature of the Company and contribute to cultural development by creating an environment in which employees and their families can live their lives in happiness and prosperity.

The beliefs and philosophy of Mr. Sato live on as the underlying spirit of TAIYO YUDEN.



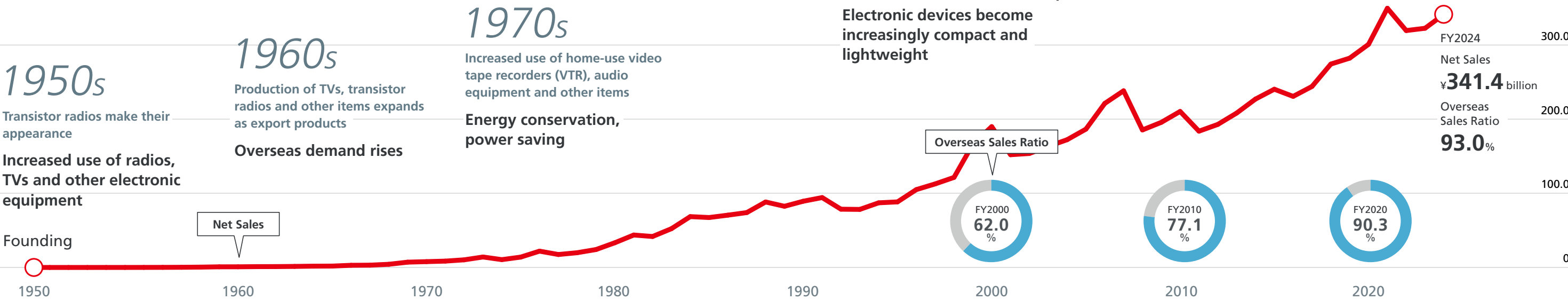
Founder Hikohachi Sato



# History of Value Creation


## Changing with the times, we have continuously met the needs of society

TAIYO YUDEN has since its founding provided to companies around the world a variety of electronics components, including inductors and communication devices, with a focus in particular on multilayer ceramic capacitors, the Company's mainstay product. This in turn has served to meet the needs of society while creating value.

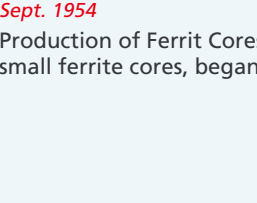


### The Value Provided by TAIYO YUDEN


**Sept. 1950**  
Sales of Rutilcon, barium titanate tubular ceramic capacitors, began



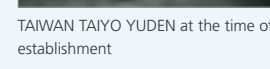
**Sept. 1954**  
Production of Ferrit Cores, small ferrite cores, began




**Sept. 1964**  
Established the technical research laboratory



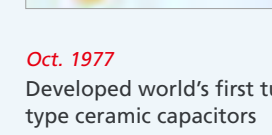
**May 1967**  
Established our first overseas subsidiary TAIWAN TAIYO YUDEN CO., LTD. in Taipei




**Mar. 1970**  
Listed on the Second Section of the Tokyo Stock Exchange. In 1973, moved to the First Section




**July 1976**  
The world's first commercialization of axial leaded ceramic capacitors began




**Oct. 1977**  
Developed world's first tubular chip type ceramic capacitors




**July 1984**  
The world's first commercialization of nickel electrode high-capacitance multilayer ceramic capacitors began



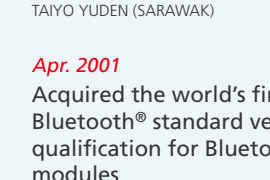
**Sept. 1988**  
Announced the release of the world's first recordable CD-R compact disks



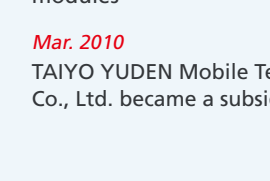
**1999-2000**  
Established four production bases abroad simultaneously




**Apr. 2001**  
Acquired the world's first Bluetooth® standard version 1.1 qualification for Bluetooth® full modules



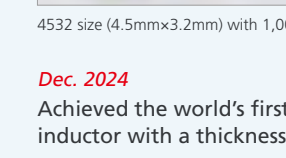
**Mar. 2010**  
TAIYO YUDEN Mobile Technology Co., Ltd. became a subsidiary




**Apr. 2018**  
ELNA CO., LTD. became a subsidiary



**May 2018**  
Developed the world's first multilayer ceramic capacitors with a capacitance of 1,000µF



**Dec. 2024**  
Achieved the world's first metal-based power inductor with a thickness of just 0.33 mm



TAIYO YUDEN's Value Provision

TAIYO YUDEN is expanding the scope in which it provides value toward the creation of a prosperous society

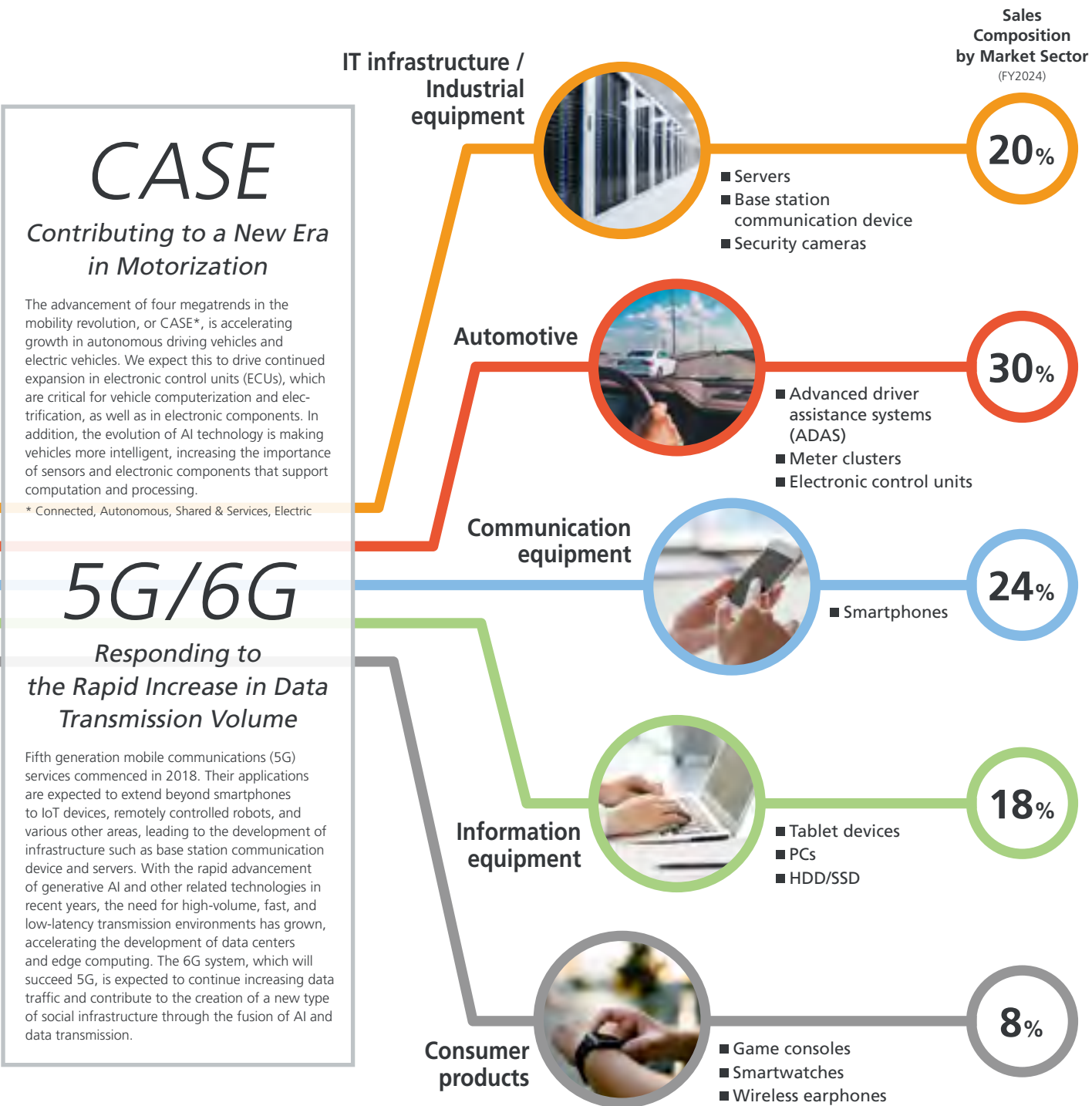
TAIYO YUDEN Main Products

p.37 At a Glance

Sales Composition by Market Sector (FY2024)



TAIYO YUDEN's products are used across a wide range of fields. For example, our multilayer ceramic capacitors, a mainstay product, are used in common everyday products such as smartphones, PCs, and game consoles. Recent years have seen a rise in demand, owing to factors such as automobiles becoming computerized and data centers expanding. These trends are promoting the expansion of the scope in which we provide value as a company that develops essential products for such technological advancements.

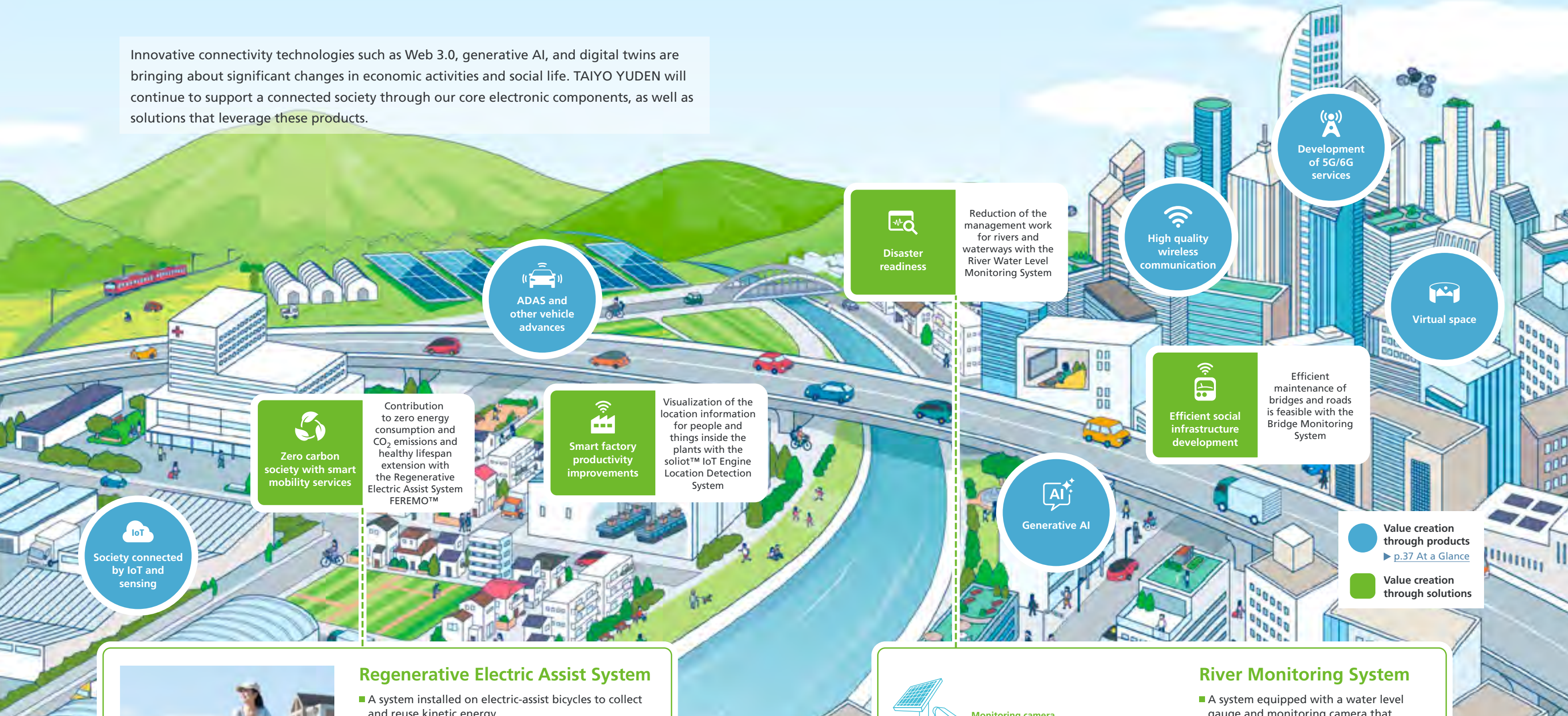




## Business Activities that Provide Value

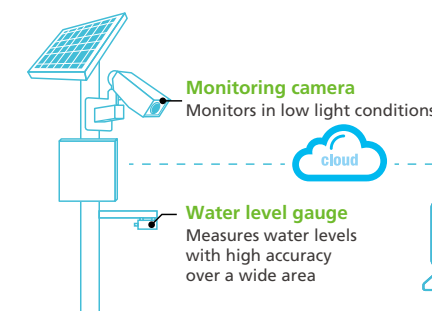
# TAIYO YUDEN's Initiatives to Support a Connected Society

Innovative connectivity technologies such as Web 3.0, generative AI, and digital twins are bringing about significant changes in economic activities and social life. TAIYO YUDEN will continue to support a connected society through our core electronic components, as well as solutions that leverage these products.



### Regenerative Electric Assist System

- A system installed on electric-assist bicycles to collect and reuse kinetic energy
- During braking or controlling speed while going downhill, the motor generates electricity and charges the battery
- On downhill slopes, regenerative braking is utilized to prevent excessive speed



### River Monitoring System

- A system equipped with a water level gauge and monitoring camera that enables remote monitoring of river conditions during heavy rain and other events
- The observed data is uploaded in real time via wireless communication. Water level data and river images are displayed on the same screen, allowing users to monitor conditions from a PC or smartphone



# Materiality











In order to achieve its mission of “stronger and more socially aware through the wonders of science,” TAIYO YUDEN has designated the most important issues it faces as “materiality,” or “key issues.” In our

medium-term management plan 2025, which began in FY2021, we drew up priority measures and KPIs linked to key issues for both economic and social value, and we are in the process of carrying them out.

Materiality (Key Issues) Identification Process



Materiality and Priority Measures

Category		Materiality (Key Issues)	SDGs Targets	Medium-Term Management Plan 2025 Priority Measures	Management Plan 2025 KPIs			Example Initiatives in FY2024	Related Pages
					Item	Target	FY2024 Actual		
Economic Value		Strengthen core technologies to make our core business grow	<div><div></div><div>Goal 7: Affordable and Clean Energy</div></div> <div><div></div><div>Goal 9: Industry, Innovation and Infrastructure</div></div>	■ Product Strategy Further grow the MLCC business and strengthen inductor and communication device products to turn them into core businesses	Net sales Operating margin ROE ROIC	480.0 billion yen 15% or higher 15% or higher 10% or higher	341.4 billion yen 3.1% 0.7% 0.5%	Initiatives for the development and stable supply of high-quality smart products that reduce environmental impact ■ Capacitors: Focused on and expanded supply capabilities for high-value-added zones such as AI servers and automobile applications ■ Inductors: Expanded applications of metal power inductors and improved our item mix ■ Communication devices: Rebuilt the business through structural reforms	▶ <a href="#">p.37 At a Glance</a>
				■ Market Strategy Increase the proportion of sales in focus markets, primarily automotive and IT infrastructure/industrial equipment, to 50%				■ Expanded our supply capacity by increasing production capacity, and expanded sales for automobiles and IT infrastructure/industrial equipment ■ The proportion of sales in focus markets: 50%	
				■ Financial Strategy Continuously expand production capacity to meet increase in demand for electronic components				■ Constructed a new building to enhance product development capabilities at the Tamamura Plant, the headquarters for the production of cutting-edge multilayer ceramic capacitors (MLCCs) ■ Increased MLCC production capacity by 10–15% compared to the previous year	—
				Create solutions to solve social issues		—			
Social Value	(E) Environment	Strengthen measures to address climate change	<div><div></div><div>Goal 6: Clean Water and Sanitation</div></div> <div><div></div><div>Goal 12: Responsible Consumption and Production</div></div>	■ Accelerate our efforts with numerical targets to improve our social value	GHG emissions (FY2030) *Absolute amount, compared with FY2020	42% reduction	20.9% reduction	■ Improved energy-efficiency for production and infrastructural equipment and expanded introduction of renewable energy ■ Increased information disclosure in line with TCFD (Safety & Environmental Report 2024, Integrated Report 2024, etc.) ■ Certified as an A List company, the highest evaluation, in the area of climate change for the third consecutive year by international environmental non-profit organization CDP ■ Gained recognition from the Science Based Targets initiative (SBTi) regarding our target for reducing greenhouse gas (GHG) emissions by FY2030 based on science, and obtained SBT certification.	▶ <a href="#">p.69 Environmental Activities</a>
		Use resources effectively and contribute to create recycling society	<div><div></div><div>Goal 13: Climate Action</div></div>		Waste Water usage *Basic unit, compared with FY2020	10% reduction 10% reduction	0.3% increase 10.2% reduction	■ Reduced waste at production bases through revisions to production methods ■ Reduced water consumption at production bases through optimization of facilities that supply water	
	(S) Social	Achieve health-oriented management and work style reforms at safety first workplace	<div><div></div><div>Goal 3: Good Health and Well-being</div></div> <div><div></div><div>Goal 5: Gender Equality</div></div>	■ Accelerate our efforts with numerical targets to improve our social value	Incidence rate of injuries and illness Accident frequency rate	< 0.016 < 0.08	0.027 0.13	■ Promoted health and safety activities for each of the 5Ms of man, machine, method, material, and measurement based on the medium-term occupational health and safety targets (FY2022 to FY2025) ■ Reviewed and revised organic solvents and production methods used, and shifted to less harmful substances	▶ <a href="#">p.79 Social Activities</a>
		Train and develop human resources based on the diversity policy	<div><div></div><div>Goal 8: Decent Work and Economic Growth</div></div>		Work engagement	2.5 or higher	2.28	■ Increased management training, harassment training, etc., and introduced job cards in career plan training ■ Hosted sleep seminars for shift workers, and line care training for high-stress divisions	▶ <a href="#">p.83 Human Resources Strategy</a>
					Rate of newly recruited female graduates	30% or higher	36.4%*	■ Hosted open company events and company information sessions for women ■ Participated in recruitment events for female students	
		Female manager ratio (FY2030)	10% or higher		6.5%*	■ Hosted unconscious bias training to reduce inequity and misunderstanding stemming from unconscious bias ■ Hosted training sessions and networking events to promote women's empowerment and advancement in the workplace ■ Provided e-learning for managers to enrich their understanding about helping subordinates to balance work and home life			
	(G) Governance	Improve management quality to support business growth	<div><div></div><div>Goal 11: Sustainable Cities and Communities</div></div>	—	—	—	—	■ Made progress in efforts to acquire ISO27001 certification, which certifies compliance with international standards for information security	▶ <a href="#">p.67 Information Security Policy</a>
		Establish and evolve BCM for disaster and infectious disease	<div><div></div><div>Goal 16: Peace, Justice, and Strong Institutions</div></div>					■ Made lists of laws/regulations and risks by organizational unit, and drafted and implemented mitigation measures	▶ <a href="#">p.64 Risk Management and Compliance</a>
								■ Reviewed and improved the specific standards of conduct in the event of a disaster (including notification in the event of an emergency) and the Group Business Continuity Provisions ■ Provided priority telephone links in the event of disaster for each site in Japan ■ Checked and reviewed hazards at each site ■ Established, accelerated and systematized collaboration between organizations for responding to BCP inquiries from customers	

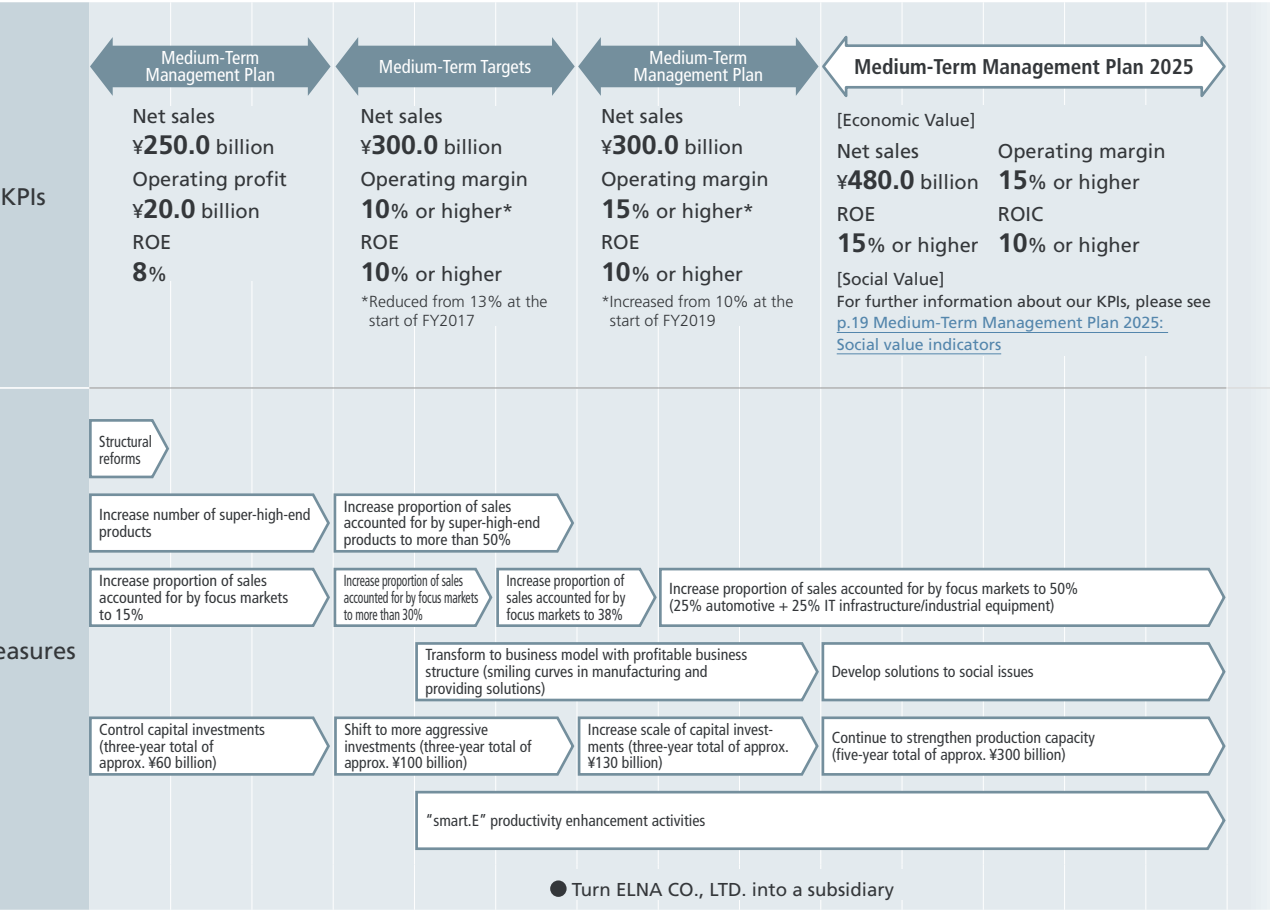
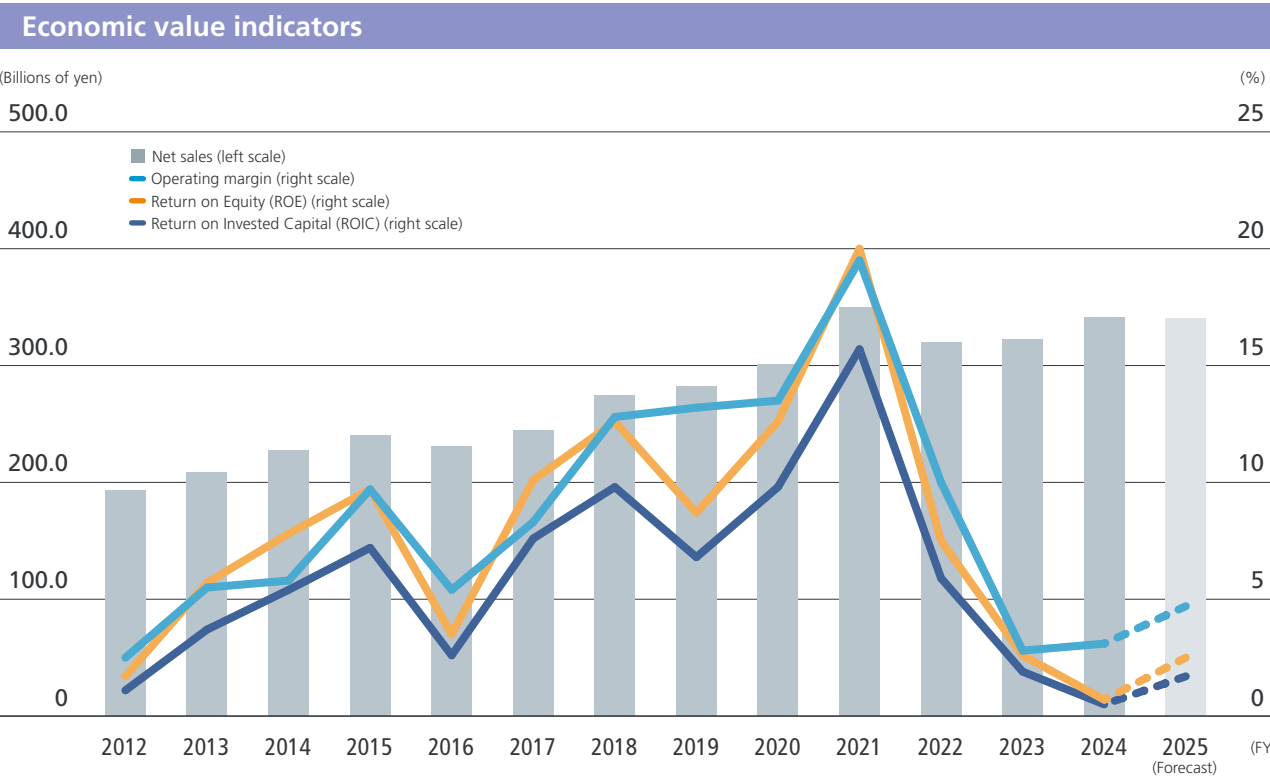
Goal 9: Industry, Innovation and Infrastructure

\* As of April 1, 2025

# Medium-Term Management Plan 2025

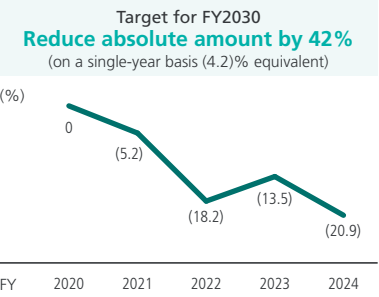
(FY2021–FY2025)

## Trends and Targets of the KPIs



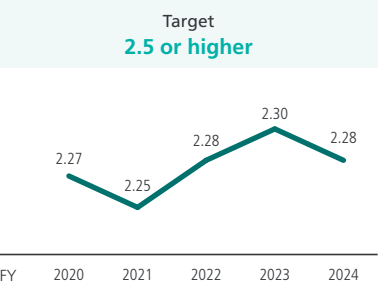
## Social value indicators

### GHG emissions\*

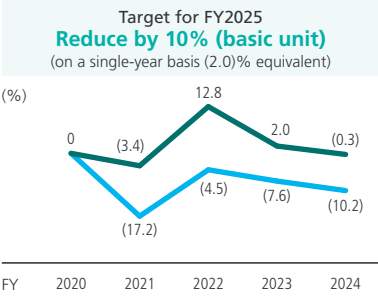


\* Some figures have been retroactively revised due to changes in the calculation method from FY2020 onward

### Work engagement

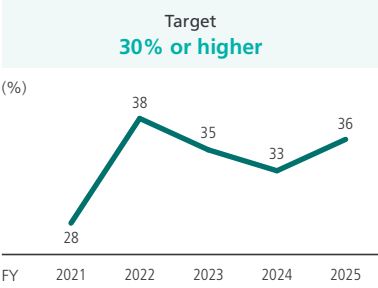


### Waste\*, Water usage

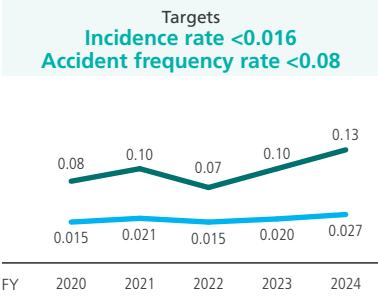


\* Some figures have been retroactively revised due to changes in the calculation method from FY2020 onward

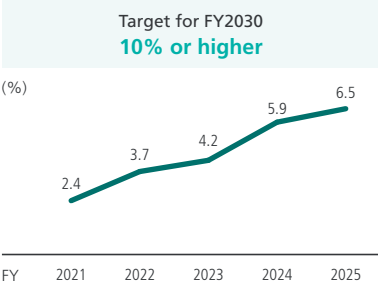
### Rate of newly recruited female graduates\*



### Incidence rate of injuries and illness Accident frequency rate



### Female manager ratio\*



## Medium-Term Management Plan 2025: Progress and Issues

In the medium-term management plan 2025 (FY2021 to FY2025), we defined the automotive market and the IT infrastructure/industrial equipment market (two markets for which stable growth can be anticipated) as “focus markets” and, while working to increase sales centered on these markets, we are aiming to enhance corporate value through the combination of economic and social value. For economic value, we have set KPIs for net sales, operating margin, ROE, and ROIC. For social value, we have set KPIs for GHG emissions, waste volumes, water usage, workplace safety, diversity, and the like. We have also been advancing a capital investment plan of ¥300 billion over the five years from FY2021, the first fiscal year of the plan.

In FY2021, against the backdrop of favorable market conditions, we exceeded our final targets for operating margin, ROE, and ROIC, achieving a strong start. However, in FY2022, demand for electronic components declined sharply, resulting in a deterioration of key management indicators. In FY2023, demand for information equipment and for IT infrastructure and industrial equipment markets did not recover, and the percentage of sales accounted for by our focus markets was 48%, falling short of the 50% target. In FY2024, although demand recovered mainly in information equipment and IT infrastructure and industrial equipment markets, the prolonged downturn in demand since the second half of FY2022 and the impact of prior investments make it unlikely that we will achieve our economic value targets in FY2025, the final year of the plan. Nevertheless, we are steadily advancing our business activities. In particular, demand

for multilayer ceramic capacitors (MLCCs), inductors, and other high-value-added products remained strong, and the percentage of sales accounted for by our focus markets once again reached 50% in FY2024. While we have been advancing efforts according to the capital investments plan up to FY2024, we will limit capital investments in FY2025 to create free cash flow. As such, we expect to fall short of our initial capital investment plan of ¥300 billion cumulatively over five years. Additionally, we will continue to expand our production capacity, with a focus on AI servers and automobile applications.

With respect to our KPIs concerning social value, we have achieved our target for the percentage of newly recruited female graduates, as we did in the previous year, while also making steady improvements to the female manager ratio. Meanwhile, while reductions in GHG emissions and water usage have progressed steadily, waste reduction has lagged behind our plans, and improvements in the accident frequency rate and work engagement remain at a standstill. Going forward, we will continue to keep pushing to achieve our KPIs. Our climate actions, which include initiatives to save, generate and reuse energy, and efforts based on the TCFD recommendations, have been well received by CDP, an international non-profit organization that runs a global environmental disclosure system, and we have been named as a CDP's Climate Change A List Company for the third consecutive year in FY2024. Moreover, we have obtained SBT accreditation for our GHG reduction target, and we will accelerate our initiatives with scientific backing.

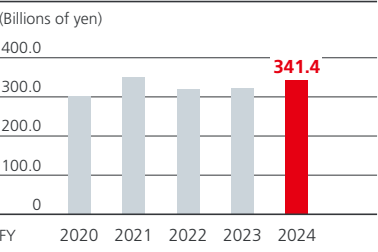


# Financial and Non-Financial Highlights

TAIYO YUDEN CO., LTD. and Subsidiaries  
Years Ended March 31 and as of March 31

## [ Financial ]

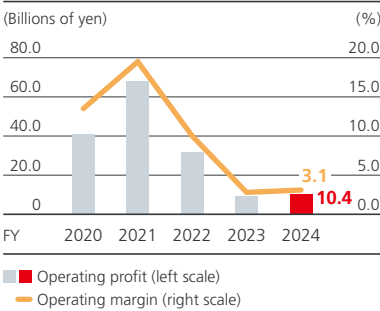
Net sales      ¥**341.4**billion  
5.8% up (YoY) ↗



Sales increased compared to the previous fiscal year. Looking at market sectors, sales for the consumer equipment, information equipment, automotive, and IT infrastructure/industrial equipment sectors increased. As for sales by product line, there was an increase in sales for capacitors and inductors.

Operating profit      ¥**10.4**billion  
15.2% UP ↗

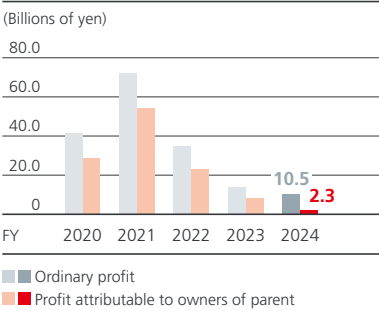
Operating margin      **3.1**%  
0.3pt UP ↗



While there were factors for a decline in profit, such as a decrease in sales prices and an increase in fixed costs, these were surpassed by factors for an increase in profit, such as effects from capacity utilization and impact from foreign exchange rates due to yen depreciation. As a result, operating profit increased and profit margin improved slightly compared to the previous fiscal year.

Ordinary profit      ¥**10.5**billion  
23.6% down ↘

Profit attributable to owners of parent      ¥**2.3**billion  
72.0% down ↘

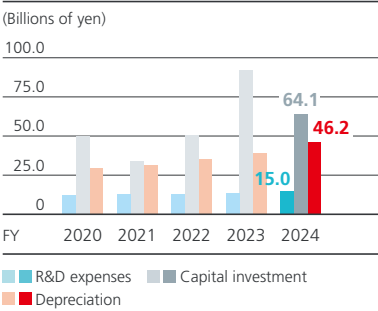


Ordinary profit decreased from the previous fiscal year due to foreign exchange losses, and profit attributable to owners of parent decreased from the previous fiscal year due to Antimonopoly Act-related losses.

R&D expenses      ¥**15.0**billion  
9.8% up ↗

Capital investment      ¥**64.1**billion  
30.4% down ↘

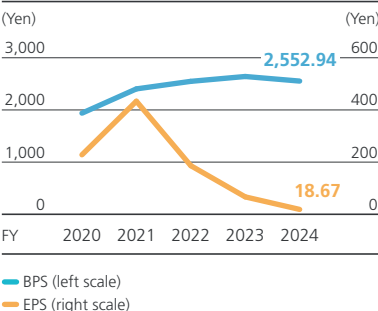
Depreciation      ¥**46.2**billion  
17.4% up ↗



We are continuing to strengthen our production capacity so that we can respond to an increase in demand in our focus markets. We are also continuing to invest in R&D to energize new business and new product development.

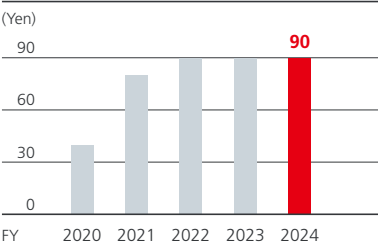
BPS      ¥**2,552.94**  
3.3% down ↘

EPS      ¥**18.67**  
72.0% down ↘



BPS decreased due to a decline in net assets owing to the impact of retained earnings. EPS decreased due to a decrease in profit attributable to owners of parent.

Cash dividends per share      ¥**90**  
unchanged →

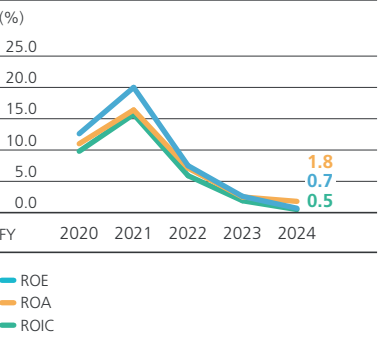


In our targets for shareholder returns, we have added a new target for a dividend on equity (DOE) ratio of 3.5% starting this fiscal year, in addition to a dividend payout ratio of 30%. We have maintained the dividend per share at ¥90 in FY2024, the same level as the previous fiscal year.

ROE      **0.7**%  
1.9pt down ↘

ROA      **1.8**%  
0.7pt down ↘

ROIC      **0.5**%  
1.4pt down ↘

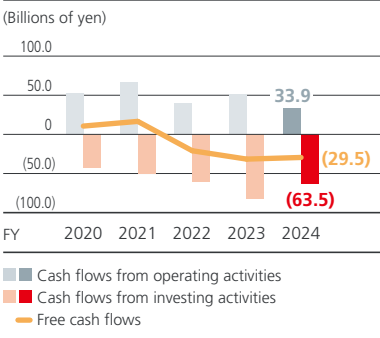


Although sales for IT infrastructure/industrial equipment and automobile applications increased and we continued to implement productivity improvement activities, ROE, ROA, and ROIC declined from the previous fiscal year due to a decrease in profit and ordinary profit.

Cash flows from operating activities      ¥**33.9**billion  
33.6% down ↘

Cash flows from investing activities      ¥**(63.5)**billion  
23.3% up ↗

Free cash flows      ¥**(29.5)**billion  
6.6% up ↗

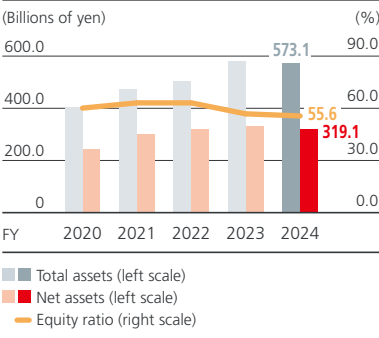


Cash flows from operating activities decreased due to an increase in inventories and a decrease in trade payables. On the other hand, cash outflows from investing activities decreased as capital investments were restrained compared to the previous fiscal year.

Total assets      ¥**573.1**billion  
1.1% down ↘

Net assets      ¥**319.1**billion  
3.3% down ↘

Equity ratio      **55.6**%  
1.2pt down ↘

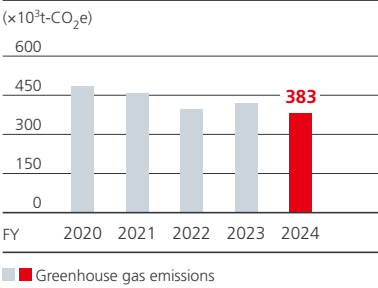


Total assets declined due to a decrease in current assets owing to a fall in cash and deposits, despite ongoing vigorous capital investment resulting in an increase in property, plant, and equipment. Net assets also decreased, resulting in the equity ratio declining from the previous fiscal year.

## [ Non-Financial ]

Greenhouse gas (GHG) emissions\*      **383** ×10<sup>3</sup>t-CO<sub>2</sub>e  
8.6% down ↘

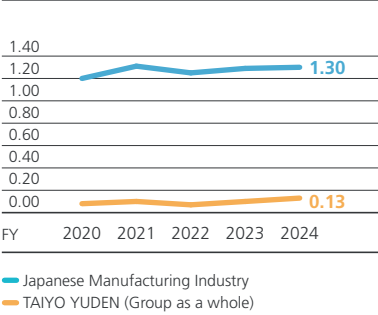
\*Scope1 (direct emissions from the use of energy), Scope2 (indirect emissions from energy use) in total



We are endeavoring to reduce our greenhouse gas (GHG) emissions through initiatives such as energy conservation in our production facilities and infrastructure facilities, as well as the expanded deployment of renewable energy. In FY2024, our GHG emissions decreased from the previous fiscal year, and we are making steady progress. Note that some figures for FY2020 onward have been changed retroactively due to a change in calculation methods.

Accident frequency rate\*      **0.13**  
0.03pt up ↗

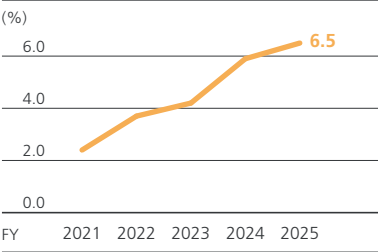
\*Accident frequency rate =  $\frac{\text{Number of the victims of occupational injury (at least one workday lost)}}{\text{Total actual number of hours worked by registered workers}} \times 1,000,000$



We are continuously promoting measures to prevent the occurrence of work-related accidents. Efforts include promoting health and safety activities in each of the 5M categories (man, machine, method, material, and measurement) based on the medium-term occupational health and safety targets (FY2022 to FY2025), and implementing priority measures for the most recent issues. The accident frequency rate in FY2024 was 0.13, staying well below the Japanese manufacturing industry average.

Female manager ratio\*      **6.5**%  
0.6pt up ↗

\*As of April 1, 2025



In order to ensure there are female candidates for management positions, we are carrying out measures such as stepping up our recruitment of women and providing support for their career development, while also utilizing the career transition program that enables employees in clerical positions to transfer to general positions. Additionally, we have taken proactive steps to present role models and support networking by hosting multiple networking events with the objective of fostering awareness among women.

The full set of figures can be downloaded as an [excel file](#). Detailed financial data including statements of income, balance sheets, and cash flows is available on Consolidated Financial Statements and in the [Investor Relations](#) of our website.



# Preparing for 2030: Driving future growth based on our technological capabilities

# CEO MESSAGE

## TAIYO YUDEN's Vision

### Contribute to a Sustainable Society with Science and Technology

This year we celebrate our 75th anniversary. To this day we have continued to uphold the values of the management philosophy passed down to us from the Company's founder—employee well-being, betterment of local communities, and the responsibility to provide returns to shareholders—and we have aspired to be a company that enjoys the trust and highest regard from all stakeholders. The management philosophy strongly reflects the founder's wish for the Company to not only pursue profits, but also bring about happiness among people and in society. We are committed to realizing that vision. The essence of our management philosophy can be expressed in today's terms as "sustainable well-being." As a company, the stream of electronic components and solutions that continuously support people's safe, secure, comfortable, and convenient lives is placed at the center of everything we do. The foundation for realizing this is articulated in our mission with the words "the wonders of science." It is very exciting and moving to witness the evolution of technology through the power of science. The curiosity born from that has led to an innovative evolution of products and a commitment to tackling social issues. It has become our driving force as we seek to contribute to a sustainable world and enhance our own corporate value.

## TAIYO YUDEN's Value Creation and Competitive Advantage

### Our Value Creation Supports a Connected Society

As a manufacturer of electronic components that contributes to the evolution of electronic devices, TAIYO YUDEN plays an integral role in supporting the digitalization of society and, ultimately, the society where everything is connected from the ground up. Our flagship products are passive components, such as capacitors and inductors. Their role is to store electricity and eliminate noise, making them indispensable to the proper functioning of all kinds of electronic devices around us, including smartphones, computers, automobiles, and AI servers. If we were to compare them to the human body, the power supply that provides electricity is the heart, and the semiconductor that controls information processing is the brain. In this analogy, passive components can be seen as playing a vital supportive role to ensure smooth blood flow to the brain.

In addition to the development of capacitors and other electronic components, our technologies can be used to address social issues. One example of a solution that has already been commercialized is

## Katsuya Sase

Representative Director,  
President and CEO





CEO Message

the regenerative electric assist system for electric assist bicycles. We are also working on several other solutions, including a system that can remotely monitor river conditions during

torrential rainfall, collaborating with mainly local governments to conduct repeated demonstration tests in order to confirm the system’s usefulness in society.

Our Competitive Advantage Is Built on Technologies and On-Site Capabilities

The manufacturing of passive components like multilayer ceramic capacitors (MLCCs) requires comprehensive capabilities that vertically integrate proprietary development and technology, as well as production and quality control, across all processes from material synthesis to finished product inspection. For example, in the manufacturing of MLCCs, advanced knowledge is required in each stage. We must continue to develop technology to synthesize raw materials to produce the desired characteristics, and the production process technology, to consistently achieve the targeted quality. These technologies are called elemental technologies, and it is said that there are over 1,000 of them. In addition to the fact that they cannot be mastered overnight, the need for high-level fine-tuning techniques means that we have evolved our own elemental technologies by accumulating the know-how over a long period of time on-site. We also design and develop our

own production equipment to achieve production conditions that maximize the properties of materials. These factors make it extremely hard for other companies to imitate us. Additionally, the key to remaining a leading player in a market characterized by a high level of technical difficulty, is to continue developing cutting-edge products with an eye to the future is also key. In fact, 10 years ago we developed a high-capacitance MLCC with a capacitance exceeding 100μF, but demand did not pick up immediately. In recent years, and with the emergence of high-performance chips for AI servers, that demand has surged rapidly. By leveraging many of the elemental technologies we established in the past, we have been able to supply this high-capacitance MLCC. This is an example that demonstrates the importance of technological foresight and continuous investment.

TAIYO YUDEN's Business Strategies

Business Portfolio Optimization with a Focus on Growth Markets

In the 2000s, we focused on small, high-capacitance high-end MLCCs for mobile phones and smartphones, honing our technological capabilities and the ability to remain competitive in the market. With a strong determination to never lose our foothold in the high-end sector, we pursued miniaturization and high performance and established a solid position within the industry. Since the 2010s, we designated new growth markets focusing on automobiles, IT infrastructure, and industrial equipment. Our objective was to steadily gain recognition and market share in these sectors. By balancing

the markets we operate in, we aim to optimize our business portfolio, reduce risks associated with fluctuations in demand, and stabilize earnings. Going forward, we will further focus on the high value-added zones of each market and look to improve profit margins and our competitive advantage. We will leverage our technological competitiveness to improve profitability in cutting-edge fields where our rivals will struggle to keep up. These areas are highly reliable products for automotive applications and large-sized high-capacitance MLCCs for AI servers.

The Next Stage of Growth with a View to 2030

— Medium-Term Management Plan 2025 and Direction of the Next Plan

This fiscal year marks the final year of the medium-term management plan 2025. Since assuming the role of President and CEO in 2023, I have prioritized the attainment of the plan’s targets above all else. Regrettably, we are unlikely to meet the targets of ¥480 billion in net sales, an operating margin of 15% or higher, an ROE of 15% or higher, and an ROIC of 10% or higher. The reasons were the supply chain disruptions caused by the COVID-19 pandemic and geopolitical risks, and prolonged

inventory adjustments. While the impact of inventory adjustments subsided in FY2024, the recovery in demand is moving at a moderate pace. The rebound has been considerably slower compared to past recessions, such as during the global financial crisis triggered by the collapse of Lehman Brothers. Another factor is opportunity losses due to lackluster product offerings and supply capacity running short. We were unable to adequately supply the growing demand for large-sized products in the automobile and IT infrastructure/industrial

equipment markets due to shortages in both product lineup and production capacity. Also, our investors were concerned about our continued upfront investments during phases of sluggish demand, including the construction of new plants. However, we executed these plans strategically with an eye on the demand forecast for 2030. As a result, in terms of QCD, by FY2024 we had successfully completed investments in strengthening D (supply capacity) without any significant delays. This established the framework we needed. In FY2025, the final year of the medium-term management plan, we will go about streamlining fixed costs and restructuring unprofitable businesses. In the next medium-term management plan, starting in FY2026, we plan to bolster Q (development capability) to enhance our product lineup in high value-added sectors and improve C (profitability).

In formulating the next plan, all directors, including outside directors, have been involved in the discussions. The medium-term management plan 2025 is the first half of a 10-year plan (FY2021 through FY2030), and the next medium-term management plan will represent the second half. Therefore, rather than making any major course corrections, we will further strengthen our two pillars of capacitors and inductors with the aim of enhancing profitability and stability. We failed to achieve significant success with the new businesses we pursued under the medium-term management plan 2025, as none of them became a core business pillar. Going forward, we will press ahead with business selection by harnessing our technologies and emphasizing not only profitability but also social significance.

KPIs in Medium-Term Management Plan 2025							Blue: Achieved, Red: Expected to be unachieved
KPIs		2021	2022	2023	2024	2025 forecast	Medium-Term Management Plan 2025 Target
Economic Value	Net sales (¥ in billion)	349.6	319.5	322.6	341.4	340.0	480.0
	Operating margin	19.5%	10.0%	2.8%	3.1%	4.7%	15% or higher
	ROE	20.0%	7.5%	2.6%	0.7%	2.5%	15% or higher
	ROIC	15.7%	5.9%	1.9%	0.5%	1.7%	10% or higher
Social Value (E: Environmental)	GHG emissions	(5.2)%	(18.2)%	(13.5)%	(20.9)%	—	FY2030 (42)% ((4.2)%/year)
	Waste	(3.4)%	+12.8%	+2.0%	(0.3)%	—	(10)% ((2)%/year)
	Water usage	(17.2)%	(4.5)%	(7.6)%	(10.2)%	—	(10)% ((2)%/year)
Social Value (S: Social)	Accident frequency rate	0.10	0.07	0.10	0.13	—	<0.08
	Work engagement	2.25	2.28	2.30	2.28	—	2.5 or higher
	Rate of newly recruited female graduates	27.9%	38.0%	35.3%	32.6%	36.4%*	30% or higher
	Female manager ratio	2.4%	3.7%	4.2%	5.9%	6.5%*	FY2030 10% or higher
* As of April 1							
Capital investment (¥ in billion)		34.0	50.5	92.2	64.2	46.0	Total of 300.0
		286.9					

Sustainability Initiatives

Evolution of Our Governance Structure to Enhance Management Transparency and Strategic Capability

In FY2024, we made a change in institutional design and became a company with an Audit & Supervisory Committee. The aim was to further enhance the governance structure

primarily by strengthening the supervisory function. Amendments were also made to the Company’s Articles of Incorporation and Board regulations so as to clearly separate the roles

CEO Message

of supervision and execution, establishing a framework that allows the Board of Directors to focus on medium-to-long-term management issues.

Now, one year later, this change in institutional design has provided us with the opportunity to deepen the involvement of outside directors. The proportion of outside directors is now above 50%, and there have been more opportunities for them to speak not only at the meetings of the Board, but

Steadily Working Towards Our Targets and Assuming Responsibility for GHG Reductions

At TAIYO YUDEN, we recognize the reduction of greenhouse gas (GHG) emissions to be a matter of corporate responsibility, and we are continuously working on reducing our GHG emissions in our mainstay manufacturing operations. Even in the medium-term management plan 2025, we set ourselves a reduction target for FY2030, and we have made steady progress towards that goal.



To Remain a Trusted Corporation into the Future

As we celebrate 75 years since our founding in 1950, I would like to express my heartfelt gratitude to all the stakeholders who have supported TAIYO YUDEN. As we explore what kind of corporation TAIYO YUDEN should aspire to be in the next quarter century, I maintain the view that striving to realize our management philosophy is at the core of who we are. Building on our technological capabilities as an electronic components manufacturer, we aim to create an environment where each and every employee can grow and reach their full potential with pride and curiosity. Through this, we aim to deliver sustainable well-being for people and society, and we want to continue being a company that supports safe, secure, comfortable, and convenient lives.

Even though we have struggled to meet the financial targets of the medium-term management plan 2025, we have steadily laid the groundwork for the future, mainly by

also during other meetings. The broader range of perspectives is now being reflected in our management decisions. As mentioned already, various opinions have been received from the outside directors as part of the formulation process for the next medium-term management plan, and we intend to continue raising the quality of management through such lively discussions.

(▶ [p.52 President and Outside Director in Conversation](#))

Moving forward, our plan is to work on reducing GHG emissions across the entire supply chain. As part of this effort, in FY2024 we also set a reduction target for Scope 3, which had been a challenge for us. Our Scope 1, 2 and 3 targets have been recognized to be based on scientific evidence, and we have obtained SBT accreditation.

Environmental action is not a one-off trend. It is important that we adopt a sustained approach as a corporation. During rapidly changing markets and policies, and as future production expands, we will aim to strike a balance between reducing our environmental footprint and enhancing our corporate value. We have been selected as a “CDP Climate Change A List” company (the highest ranking) for our actions on climate change for the last three years. We are also implementing climate change measures by utilizing external evaluations, such as obtaining ZEB Ready certification during the construction of new plants. We hope to make steady progress towards achieving our FY2030 targets.

Representative Director,  
President and CEO

Message from the Officer in charge of Finance



Tomomitsu Fukuda  
Director and Senior Executive Operating  
Officer in charge of Management  
Planning Headquarters

Improving profitability  
and concentrating on  
high value-added areas  
to accelerate growth

FY2024 Financial Results and FY2025 Outlook

Expanding Sales for Automotive and AI Server Applications and Implementing Structural Reforms

In FY2024, despite a challenging market environment, we were able to record higher net sales and operating profit. However, ordinary profit and net profit decreased mainly due to foreign exchange impacts. By product, demand for inductors, in particular, exceeded our initial expectations. Sales increased for game console and memory module applications, among others. In multilayer ceramic capacitors (MLCCs), sales for automotive and AI server applications expanded. On the other hand, conditions in the communication devices business remain challenging owing to the continued sluggishness in high-end smartphones in China, which has prompted us to implement structural reforms in a bid to restructure the business.

In FY2025, while we anticipate a slight year-on-year decrease in net sales, to ¥340 billion, we forecast higher operating profit of ¥16 billion on the back of capacity utilization efforts. Our assumptions include stronger demand for electronic components, particularly MLCCs, driven primarily by automotive and AI server applications. On the other hand, we have factored in a negative impact on net sales of approximately ¥9 billion in relation to US tariff policies. Considering that our sales weighting to North America is in the 6% range, the direct impacts will be limited, however, the indirect repercussions remain to be seen. Our earnings forecasts reflect the risk of a potential decrease in demand due to cost pass-alongs to end products.



Message from the Officer in charge of Finance

ROIC Improvement Measures

ROIC Management-Driven Selection and Concentration

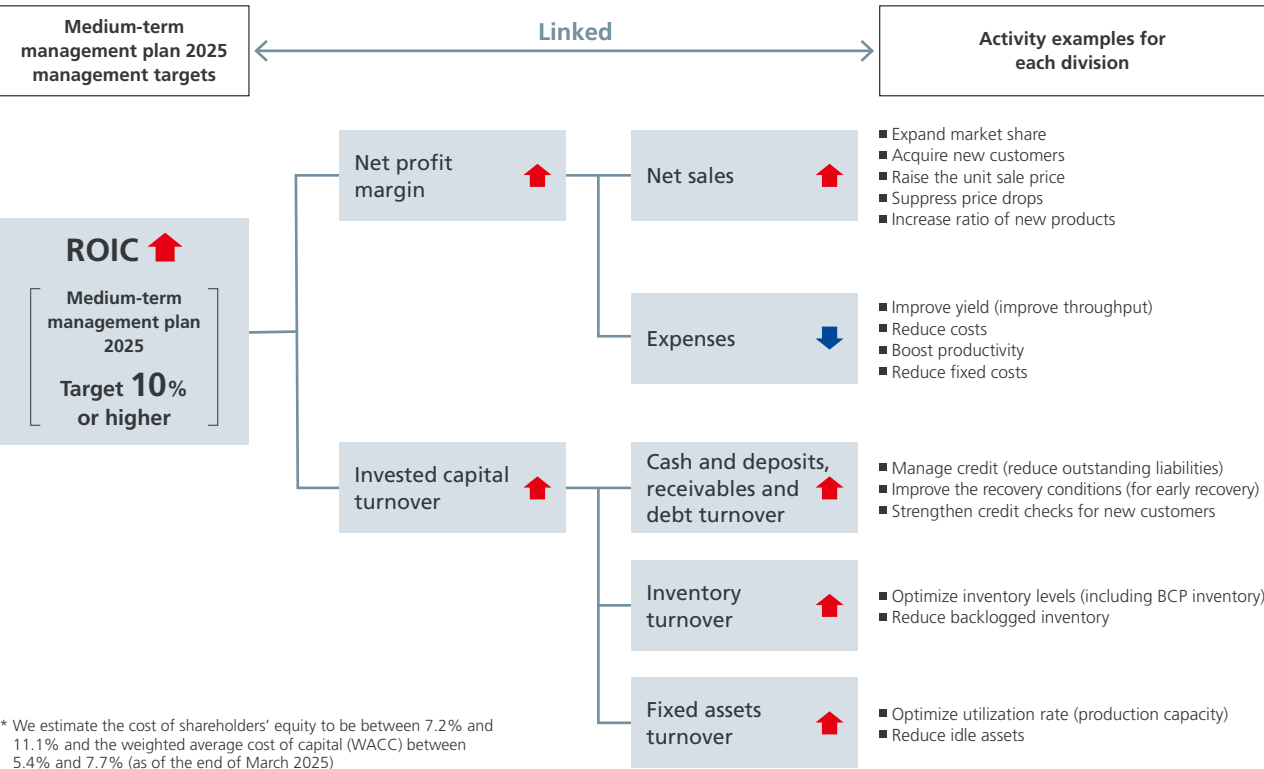
We have been executing the 5-year medium-term management plan 2025 since FY2021. We traditionally emphasized operating profit and the operating margin in the course of managing the Company. Starting with the medium-term management plan 2025, we have incorporated a style of management based on ROIC (return on invested capital). We consider ROIC a yardstick for decision-making and have pressed ahead with a selection and concentration strategy based on the positioning of ROIC in each business. In particular, in the integrated modules & devices business, we have restructured operations in circuit modules due to low margins and limited future growth potential, and reallocated management resources to high value-added areas.

This ROIC management has led to a change in awareness even among working-level staff. In each division, understanding how one's activities impact ROIC and the share price, along with visualizing the cause-and-effect relationship for improvement, has facilitated smoother goal setting and execution.

However, when ROIC is broken down into profitability and efficiency, there is still work to be done to improve the invested capital turnover ratio and other markers of efficiency. Due to geopolitical risks and supply chain circumstances, we have been forced to maintain higher inventory levels than usual as BCP inventory, which has dragged down efficiency. Therefore, based on the idea of making up for these efficiency issues through improved profitability, we are taking steps to brush up our business operations.

As for our business portfolio, we arranged for independent profitability assessments to be conducted on each product category to aid our decisions on selection and concentration. Since FY2024, we have implemented structural reforms in the communication devices business, where earnings have deteriorated. Within the framework of a single segment—in this case, the electronic components business—we evaluate and determine what products to offer in which markets. Our policy going forward will be to focus more of our attention on high value-added zones.

ROIC Tree



\* We estimate the cost of shareholders' equity to be between 7.2% and 11.1% and the weighted average cost of capital (WACC) between 5.4% and 7.7% (as of the end of March 2025)

Medium-Term Management Plan 2025

Results of the Medium-Term Management Plan 2025 and Outlook for Future Growth

As President Sase mentioned, it is unlikely that we will achieve the financial targets of the medium-term management plan 2025 in the final year, which we set at the start of the plan (see [p.25](#)). Nevertheless, we have steadily invested in future growth. We established new production plants for MLCCs in China and Malaysia, thereby augmenting our production capacity. We have maintained R&D expenses at just over 4% of net

sales, thus strengthening our responsiveness in the high-end sector. While the outcome of the medium-term management plan 2025 will be a tough pill to swallow, preparations for the next medium-term management plan are already underway. We aim to use the measures we have employed thus far as a foundation to respond to the next phase of demand expansion and achieve growth in the next plan.

Capital Allocation

Growth Investments with an Eye to the Future Even Under Tough Conditions

During the period of the medium-term management plan 2025, we made the decision to continue with growth investments even in the face of challenging conditions, such as sluggish demand and reduced cash inflows. Based on medium- and long-term demand forecasts, we thought that capacity expansion in preparation for future growth should continue, which is why we have continued to execute capital investments primarily in MLCCs.

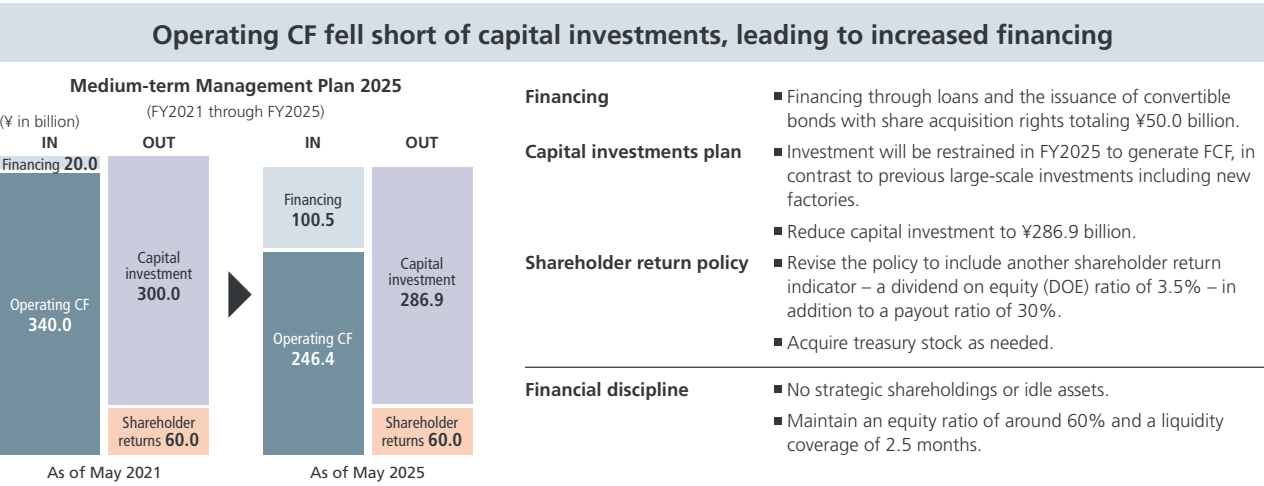
In MLCCs, while demand for small-sized products for smartphones has slowed, the demand for highly reliable, high-capacity large-sized products for automotive and AI server applications has expanded at a pace greater than we expected. In response to this change in demand, we revised the investment plan in the medium-term management plan 2025, shifted our focus to large-sized products, and continued to ramp up capacity. The conviction that even in tough times, the investment decisions made now will support our future competitiveness stems from lessons learned from past experiences where our hesitation to invest during similar situations

led to opportunity losses after demand recovered, ultimately widening the gap between us and the competition.

Initially, we planned to cover the majority of cash outflows for capital investments and other expenses with cash flow from operating activities. However, weak demand meant we had to seek new sources of funding to meet the shortfall. In 2023, we issued ¥50.0 billion in convertible bonds with share acquisition rights, securing a framework to support growth investments while ensuring financial stability.

During the period of the medium-term management plan 2025, free cash flow remained in negative territory, which only increased our net debt. However, because large investments wound down and capital investment decreased in FY2024, I believe free cash flow in FY2025 can return to a level close to breakeven. In the next medium-term management plan kicking off next fiscal year, we will aim to consistently generate free cash flow and make sure it stays on the positive side of the ledger each year.

Capital Allocation Policy



Message from the Officer in charge of Finance

Shareholder Returns

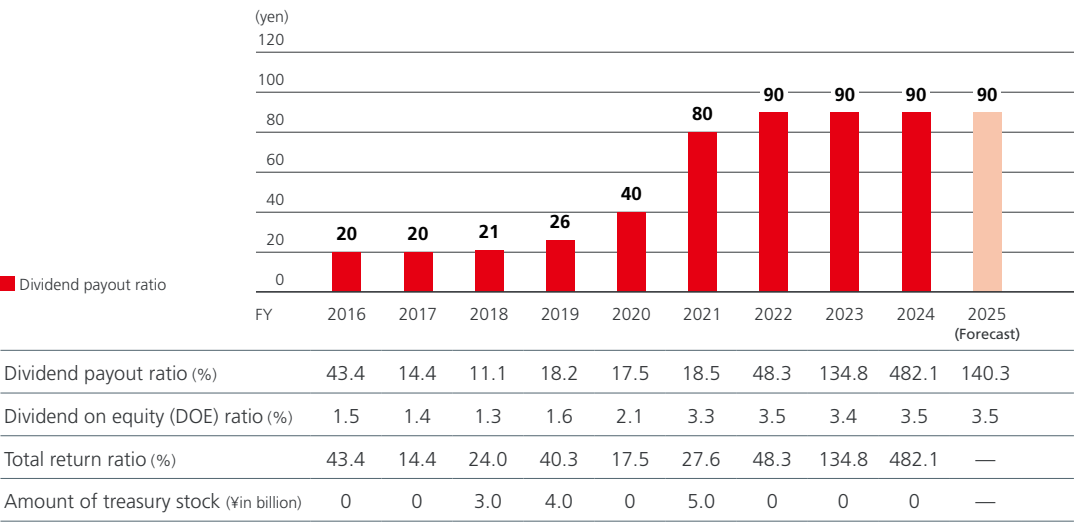
Valuing the Stability of Dividends and Adopting DOE

Until now, our shareholder returns policy targets a dividend payout ratio of 30%. In addition to this, we have newly adopted DOE (dividend on equity) as an indicator. The adoption of DOE demonstrates our commitment to maintaining an emphasis on dividend stability, regardless of temporary fluctuations in earnings. This crystallizes our responsibility to provide returns to shareholders, as stated in our management philosophy, and is considered a part of our financial strategy that supports our reliability as a corporation. As we belong to a highly volatile industry, we recognize that hiking dividends when profits go up and maintaining a certain level of dividends even when profits go down is the kind of stability that serves as a solid foundation for enhancing long-term corporate value.



Shareholder Return Policy

Revised our shareholder return policy and added Dividend on Equity (DOE) ratio of 3.5% as an indicator for shareholder returns in addition to the previous dividend payout ratio of 30%

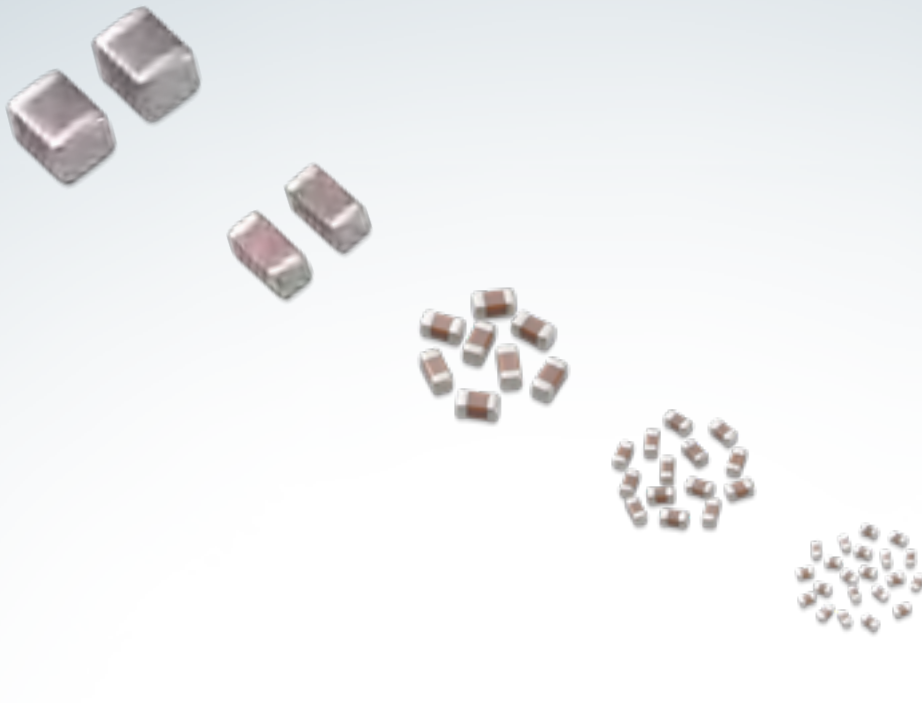


To Our Stakeholders

The latter half of the five-year medium-term management plan 2025 was marked by several challenging phases. As a result, we will most likely undershoot the financial KPIs in the plan. However, I feel confident that we have steadily made preparations that will translate to future growth. That is precisely why we are determined to achieve the KPIs set out in the next medium-term management plan.

In addition, I want to focus not only on planning and execution, but also on communicating our efforts. I will continue to enhance dialogue and information disclosure with shareholders and investors and actively keep you updated on the Company's direction.

3.2mm×2.5mm



0.25mm×0.125mm

Section 2 [ Strategies for the Creation of Value ]

STRATEGIES

— Taking on Challenges to Achieve “Innovative Advance” —

Our multilayer ceramic capacitors (MLCCs) and other electronic components are essential for all products that use electricity. Customers require different capabilities for each use case: for example, they may want miniaturization in some products, large capacity in other products, and strong durability in yet other products.

To cater to these needs, TAIYO YUDEN strives for the pinnacle in material and multilayer technologies, which are the core elements of product development at the Group. Through these efforts, we have developed products with the aim of achieving innovative advances from conventional standards.

Going forward, we will continue to establish a competitive advantage and create value through our businesses.



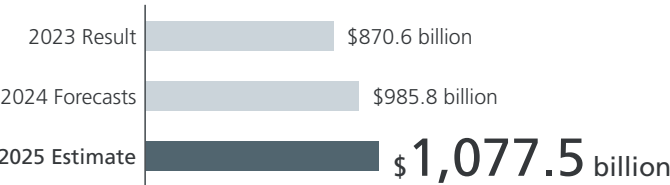
# Market Environment and Business Development

## Continued growth in needs resulting from the trend of digital transformation

Due to the computerization of automobiles and various other products and rapid advances in state-of-the-art technologies such as AI, the need for electronic components is expanding. While actual demand for such components fluctuates, it is exhibiting an upward trend.

Market Conditions for Electronic Components and Devices (Calendar year)

¥ about 148.7 trillion\*



### Electronic devices

¥ about 116.4 trillion\*

Devices that apply functions of electrons to perform active tasks such as amplification

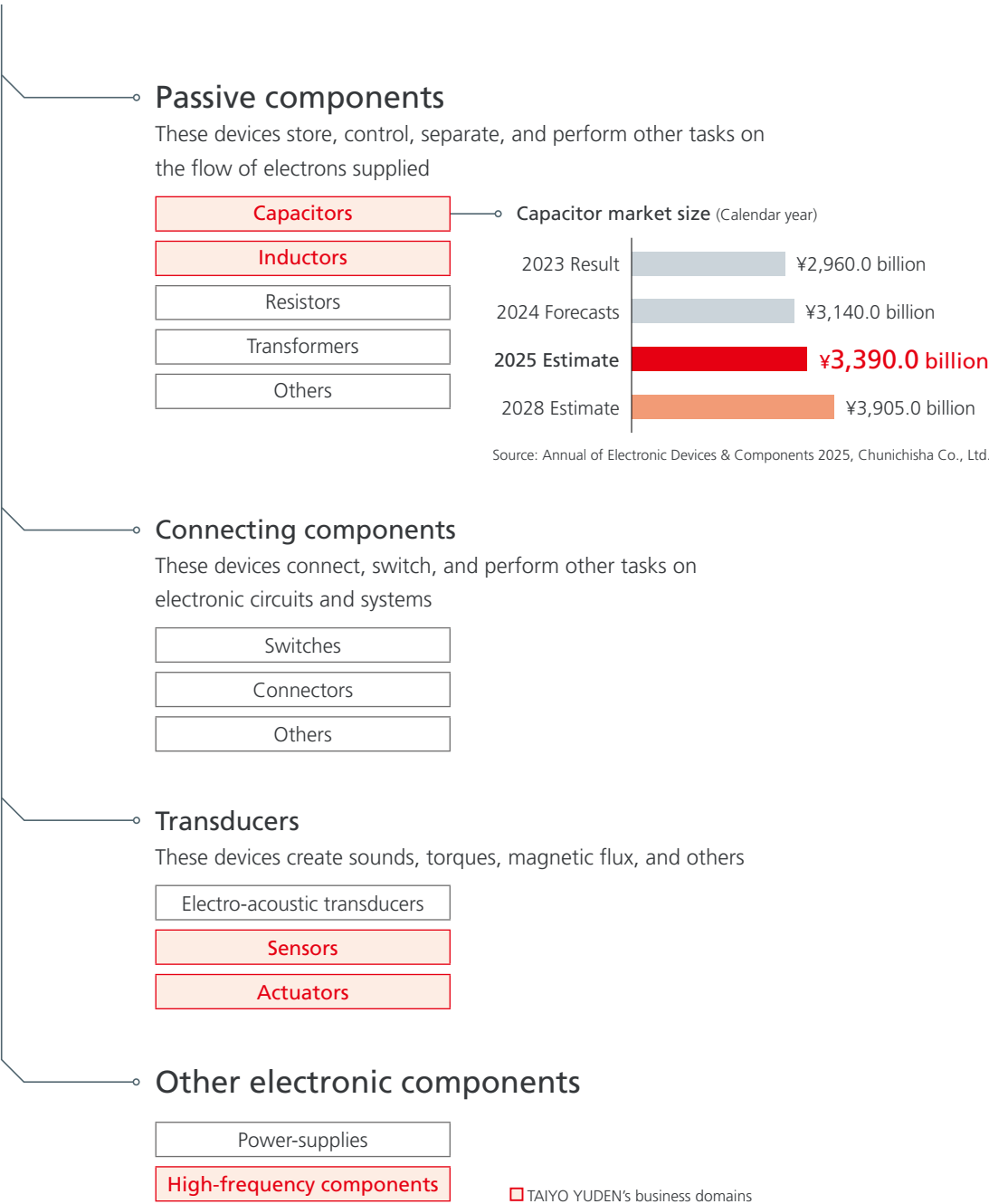
- Semiconductor devices
- Integrated circuits
- Electron tubes

\*The forecasts as of 2024 (dollar-based) calculated using the average exchange rate for 2024 (1 dollar = ¥150.8).  
Note: Figures from 2024 Production Forecasts for the Global Electronics and Information Technology Industries, Japan Electronics and Information Technology Industries Association (JEITA); the electronic components and devices category is as defined in JEITA's statistical classification of global electronic component shipments

General electronic components

¥ about 32.3 trillion\*

Components that work with and supplement electronic devices



Value Creation Model

Megatrends

Changes in the external environment

- Progress in democratization and generalization of AI
- Rapid spread of 5G
- Evolution of autonomous driving and robotics
- Remote society

Changes in the macro-environment

- Climate change
- Tightening environmental regulations
- International trade friction
- Threats of natural disaster and infectious disease
- Resource depletion
- Geopolitical risk

SUSTAINABLE DEVELOPMENT GOALS

TAIYO YUDEN considers the management philosophy it has inherited from its founder to be its shared values and is striving to contribute to the realization of a secure, safe, comfortable, and convenient society through the “wonders of science” set forth in its mission.

Recent years have seen seismic shifts—also known as “megatrends”—in domains such as technology, the environment, and public health. By revising our business strategies, R&D strategies, and human resources strategies flexibly in line with these changes, our goal is to offer greater economic and social value, and to grow sustainably hand-in-hand with society.

Mission

Stronger and more socially aware through the wonders of science

Management Philosophy

Employee well-being, Betterment of local communities, Responsibility to provide returns to shareholders

Business operations at TAIYO YUDEN

Investment capital (FY2024)

Financial capital

Total assets ¥573.1 billion  
Equity ratio 55.6%

Intellectual capital

R&D expenses ¥15.0 billion

Manufacturing capital

Number of production bases 21

Human capital

Number of employees (consolidated) 20,779

Social/related capital

Number of years since founding 75  
Number of years since public listing 55

Natural capital

Energy (electricity) consumption 1,037,396 MWh  
Water use 4,259,000 m³

Leverage from business activities

Vision

To be an excellent company that enjoys the trust and highest regard from all stakeholders

Smart products

Smart design

High quality Low power consumption Downsizing Abolishing use of toxic substances

Smart production processes

Safety first Following rules More efficient use of energy 100% yields Reuse and recycle Minimizing emissions

Systems

OHSMS ISO9001 IATF16949 ISO14001

Creating value through business activities

Strengthen core technologies to make our core business grow

Create solutions to solve social issues

Economic value

Social value

E Response to climate change

S Achieve health-oriented management and work style reforms at safety first workplace

G Improve management quality

Outcome

Medium-term management plan 2025

[ Financial ]

Net sales ¥480 billion  
Operating margin 15% or higher  
ROE 15% or higher  
ROIC 10% or higher

[ Non-Financial ]

GHG emissions

Absolute amount FY2030 42% reduction (compared with FY2020)

Waste / Water usage

Basic unit (production volume) FY2025 10% reduction (compared with FY2020)

Safe & secure workplace / Optimization of group base functions

Creating safe, comfortable and environmental friendly workplaces

Incidence rate of injuries and illness <0.016  
Accident frequency rate <0.08

Work style reforms / Diversity







Work engagement 2.5 or higher  
Rate of newly recruited female graduates 30% or higher

Female manager ratio

FY2030 10% or higher



# TAIYO YUDEN’s Management Capital


Capital	FY2024 Achievement	Initiatives to Reinforce Our Management Capital
<div> <b>Financial capital</b> ■ Sound financial structure</div>	<div>■ Total assets ¥<b>573.1</b> billion</div> <div>■ Equity ratio <b>55.6%</b></div>	We are working to improve our ROIC and, especially, our profit margins. We are focusing on high-value-added zones, determined through profitability evaluations, while at the same time making adjustments in areas such as our balance of fixed costs. This includes selling off or pulling products with low future growth potential and implementing structural reforms in businesses with declining profitability. Many of our businesses are in markets whose environments are subject to dramatic change, so we strive to improve our equity ratio and maintain our financial soundness while also introducing DOE (the dividend on equity ratio) as a key metric to provide shareholder returns with a strong focus on stability.
<div> <b>Intellectual capital</b> ■ Core technologies that create cutting-edge products</div>	<div>■ R&amp;D expenses ¥<b>15.0</b> billion</div> <div>■ Number of Patents Held <b>1,496</b> (Japan) <b>2,172</b> (Overseas)</div>	Based on our R&D slogan, “innovative advance,” we strive to develop products with a focus on overall optimization, from the development of cutting-edge materials to mass production. We are also enhancing our capabilities in the high-end and high-reliability segments. In our intellectual property activities, we create, protect, and utilize intellectual property through management methods optimized for individual businesses.
<div> <b>Manufacturing capital</b> ■ Global production system to maintain a steady supply of products</div>	<div>■ Number of production bases <b>21</b></div> <div>■ Capital investment ¥<b>64.1</b> billion</div>	We have production bases in five countries including Japan, through which we strive to maintain a steady supply of products. We use ongoing capital investment to improve our production capacity with an eye toward future growth and also to improve productivity.
<div> <b>Human capital</b> ■ Hiring and developing diverse personnel to drive our management strategies</div>	<div>■ Number of employees (consolidated) <b>20,779</b></div> <div>■ Training expenses per employee <b>100,414</b> yen</div>	We recruit a diverse workforce, promote global management, nurture and advance the next generation of business leaders, and implement various training and educational programs that empower employees, including initiatives that promote women’s participation.
<div> <b>Social/related capital</b> ■ Sustainability activities based on global standards ■ Building and maintaining trust-based relationships with business partners</div>	<div>■ Number of years since founding <b>75</b></div> <div>■ Number of years since public listing <b>55</b></div> <div>■ Business sites in <b>13</b> countries and regions</div>	We comply with all applicable laws, regulations, and international rules and we live up to our corporate social responsibility. By doing so, we earn the trust of our stakeholders. We also strive to establish greater mutual trust with our business partners and develop together through activities such as regular assessments and briefing sessions.
<div> <b>Natural capital</b> ■ Minimization of energy usage in product manufacturing ■ Sustainable use of resources</div>	<div>■ Energy (electricity) consumption <b>1,037,396</b> MWh</div> <div>■ Water use <b>4,259,000</b> m³</div>	We strive to contribute to the achievement of global environmental targets, recognize the importance of disclosing climate-related financial information, and endorse the TCFD. We also conduct GHG emissions surveys of our business partners and support them in calculating their emissions volumes with the aim of reducing GHG emissions from the entire supply chain.

# At a Glance

Interview with the Officer in charge of the Sales Headquarters

Utilizing DX to respond to change and lead the way into the future

Toshiyuki Watanabe  
Director and Executive Operating Officer  
in charge of Sales Headquarters



## The Growth Opportunities Presented by AI Servers

Our financial results did not recover in FY2024 to the extent that we had hoped. It was a year in which we were keenly aware of the difficulty involved in meeting the expectations of both those inside and outside the Company. However, it was also a year with various bright points: the rapid growth in demand related to AI servers, primarily multilayer ceramic capacitors (MLCCs), the sustained growth of metal power inductor business, and the launching of a new business site in India.

In the AI server field, in particular, rapidly rising power consumption is creating growing demand for high-capacitance capacitors. To meet these needs, we have expanded our development and supply capabilities for large capacity products and we have successfully improved certification rates among our main customers.

## Promoting Supply Chain Visualization and DX

In recent years, the business models of our device manufacturer customers have grown more complex. To deal with this, we have introduced an internal supply chain system. Each of our sites coordinates with other sites to better visualize information, actions, and KPIs, from upstream to downstream. This has clarified the progress status of our sales activities and enabled us to improve the precision of our targeting and actions. Led by our success in the AI server field, we are also considering expanding these efforts to other applications.

On the DX front, we have expanded the use of data to improve the precision of demand forecasts. Forecasts by sales personnel have been supplemented with elements such as BB ratios\*, sentiment, and seasonal coefficients to produce more rational corrected values. This has provided some benefits in our macro trend analysis. We will be introducing AI technologies in this process to further improve forecast precision.

\* Book-to-bill ratio. This demand indicator is determined by dividing orders by net sales.  
A BB ratio greater than 1 indicates strong demand.

## Steady Efforts to Improve Customer Satisfaction

Customer satisfaction is important not only to the Sales Headquarters but to the Company as a whole. Every year, we conduct studies that examine multiple areas, such as delivery times, prices, quality, and support, and use our findings to implement actions that address the issues faced in individual sites.

When it comes to customer satisfaction, we also place great importance on getting direct feedback from the sales field. This is done by storing contact reports from sales representatives in our system. We use AI text mining to create summaries and analyses and utilize them in our customer satisfaction improvement actions.

Despite these activities, we have not been able to make immediate and dramatic improvements to satisfaction levels. In FY2024, our study found only slight improvements. However, our customers have positively evaluated the sincerity with which we listen to customer feedback and our efforts to make ongoing improvements, and I feel that we have established greater trust with our customers. We will continue our dedicated efforts and achieve steady results.

## Attempting Both High-End and Long-Tail Strategies

The Sales Headquarters is focusing on both high-end and long-tail strategies. In addition to strengthening proposals and sales of high-value-added products in markets such as the IT infrastructure and industrial equipment market (which includes AI servers) and the automotive market, we are also working to capture small lot demand by coordinating with various agencies around the world. Through this, we will achieve stability in both sales and management and build a foundation for our next medium-term management plan.

We will continue to flexibly respond to the dramatically changing environment surrounding the Company while promoting management strategies that enable us to develop solid growth strategies for TAIYO YUDEN.





At a Glance

# Integrated Modules & Devices

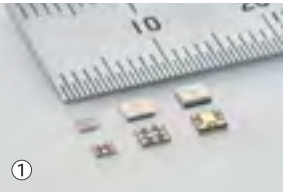
We are promoting the development of broadband-compatible devices for communications and the development of next-generation products suitable for higher frequencies.

In FY2024, year-on-year sales fell for both FBAR/SAW communication devices for Chinese smartphone manufacturers and for circuit modules, where business selection and concentration is underway. As a result, net sales decreased 34% year on year to ¥22.9 billion.


Basic Information

Major Products


Communication devices



①



②



③

**Communication devices**

① FBAR/SAW devices for communications

② Multilayer ceramic filters

**Circuit modules**

③ Regenerative electric assist system "FEREMO™" for electric assist bicycles

Net Sales Breakdown by Product Classifications (FY2024)

7%

Net Sales (Billions of yen)

(FY)	2022	2023	2024
	32.5	34.9	22.9

Market Needs

- In addition to smartphones, our main market, expand adoption in the telematics, machine-to-machine (M2M), IoT, and base station markets

Strengths of TAIYO YUDEN Group

- Ensure excellent high-reliability characteristics with element material technology and robust package structure

Growth Strategies


Pursue high-value-added businesses by making use of original technologies

- Carry out structural reforms, rebuild business, contract the scale of business to match demand conditions, and improve profitability
- Meet customer needs through cutting-edge products based on the new technologies of TLSAW™ (element technology) and HPDP (structural technology)
- In addition to miniaturization, thinning, and high integration, respond to market trends by increasing power handling capabilities
- Based on our high-end smartphone business, provide high reliability, high-value-added products for use in telematics, M2M, IoT, and base stations
- Through circuit module selection and concentration, complete transfer of/withdrawal from business involving selected products and reorganize sites

Low profile, high power handling capability

Previous Package

HPDP



Sample image of new "HPDP" technology for packaging

# Others


We are concentrating our efforts on the development of conductive polymer hybrid aluminum electrolytic capacitors for the focus markets, and on boosting production capacity.

In FY2024, sales of aluminum electrolytic capacitors by subsidiary ELNA fell. As a result, net sales decreased 6% year on year to ¥24.8 billion.

Basic Information

Major Products

Aluminum electrolytic capacitors



Conductive polymer hybrid aluminum electrolytic capacitors

Net Sales Breakdown by Product Classifications (FY2024)

7%

Net Sales (Billions of yen)

(FY)	2022	2023	2024
	25.9	26.3	24.8

Market Needs

- Demand for automobiles is growing rapidly due to the adoption of xEVs, electrification of powertrains, and advancement of ADAS

Strengths of TAIYO YUDEN Group

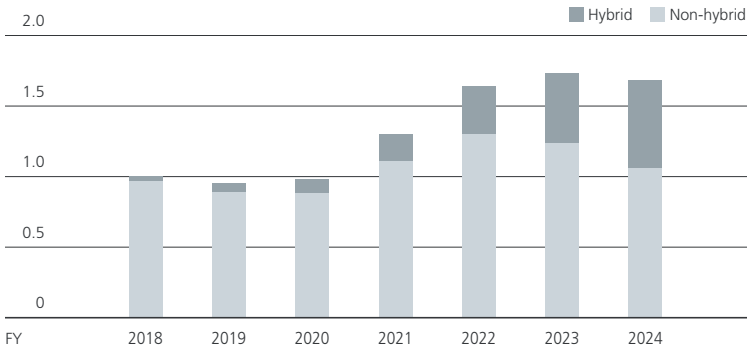
- High reliability, large current, and low noise
- A wide range of large-sized and high-capacity products

Growth Strategies

Expand sales in high-value-added markets, especially automobiles

- Focus on high-performance conductive polymer hybrid aluminum electrolytic capacitors to increase profitability
- Build an efficient integrated domestic system that encompasses everything from product development to production to increase production capacity and meet growing demand for automotive applications

Net sales of aluminum electrolytic capacitors (monetary basis)



FY	Hybrid	Non-hybrid
2018	0.1	0.8
2019	0.1	0.7
2020	0.1	0.7
2021	0.2	1.0
2022	0.3	1.2
2023	0.4	1.2
2024	0.6	0.9

R&D

Fundamental Stance on Research and Development

The Foundation of Our Research and Development Activities

Hikohachi Sato, the founder of TAIYO YUDEN, was a researcher in ceramic materials, and since its establishment, has believed that product commercialization should start from the development of materials. This has been one of the strengths of TAIYO YUDEN, and has resulted in us

creating many products that have been “world firsts.” TAIYO YUDEN’s research and development activities are aimed at further honing the many elemental technologies it has so far developed to create products that contribute to the ongoing development of electronic devices.

— Research and Development Principles —

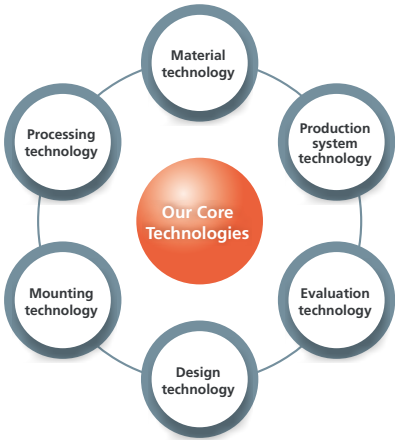
**“Innovative advance”**

**Technology precedence**  
Promote leading edge technological development as the precursory to innovative product development and become a global leader in technology

**Reproducibility**  
Logically verify the reproducibility of the technology we develop

**Technological applicability**  
Devise technologies which can be applied not only to specific products but also to other areas useful to the markets we serve

**Environmental consideration**  
Develop technologies that are feasible and applicable economically to our manufacturing process and that meet critical environmental standards



Message from the Officer in charge

**Innovative advance: not just a step ahead**

**Shoichiro Hirakuni**  
Operating Officer in charge of Research and Development Laboratory



In R&D at TAIYO YUDEN, we value the idea of “innovative advance.” It expresses a stance of aiming for change that greatly surpasses conventional wisdom, not mere incremental improvement. By achieving such leaps, we aim to deliver new value to society.

The idea grew out of the belief that the laboratory should take on longer-term, bolder challenges from a perspective different from the business divisions. Each researcher explores what an “innovative advance” means for their own theme and works with free-thinking creativity, with outcomes expected in line with each role.

That said, achieving “innovative advance” results is never easy; it requires introducing fundamentally different methods and ways of thinking. Lately we have focused on digital twinning\* of the development process, and are accelerating validation by leveraging informatics and

simulation. These non-traditional approaches have already produced cases of significant improvement in product characteristics.

To support these challenges, we are also strengthening development through external collaboration. One example is our joint research with Tohoku University, which is enabling faster development.

Organizationally, we reintegrated the materials development department, placed under the business divisions in recent years, back into the laboratory in April of this year. We believe we have achieved our original aims of strengthening collaboration with the business divisions and promoting development closely tied to their needs. By bringing these outcomes back into the Research and Development Laboratory, we will pursue a balanced portfolio of short-, medium-, and long-term development centered on materials technology, which is one of TAIYO YUDEN’s strengths.

“Innovative advance” embodies TAIYO YUDEN’s strong will to open up the future. We will continue taking on challenges to create products with even greater added value.

\* A technology concept that reproduces real-world objects and systems in digital space and supports prediction and optimization by collecting and analyzing data in real time.

Approach to Research and Development

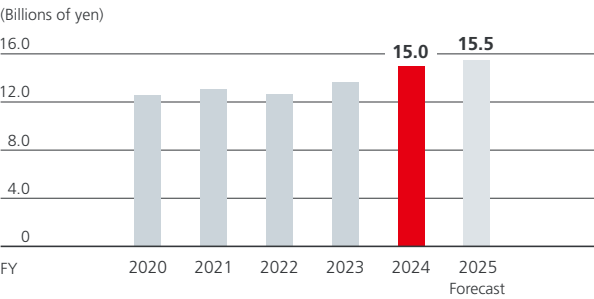
Achievement of Our Vision through Development of Smart Products

TAIYO YUDEN aims to manufacture “smart products” and is actively working to develop and supply steadily such products.

We develop smart products to eliminate the three M’s— *muda* (wastefulness), *mura* (inconsistency) and *muri* (overburden)— over their entire life cycle from design through production, sales, and incorporation into the final product right up to final disposal, to add value for customers and local communities we serve as well as our employees. We believe that our research and development activities aimed at creating a higher standard of smart products will enable us to realize our vision of “To be an excellent company that enjoys the trust and highest regard from all stakeholders.”

R&D Expenses

We recognize that continuing innovations and advancement in our technologies through R&D is the foundation for TAIYO YUDEN to create the future. As such, in recent years we have continuously invested a fixed amount into R&D activities, rather than making major adjustments based on the financial results.



Message from the Officer in charge

**Early action for the future strengthens development capability**

**Yukihiro Konishi**  
Operating Officer in charge of Research and Development Laboratory



I assumed the role of deputy laboratory manager of the Research and Development Laboratory this fiscal year. Since joining the Company, I have built my career around materials development, pursuing higher performance through fine-particle and high-crystallinity barium titanate, the principal material for multilayer ceramic capacitors (MLCCs), and property design via additives. I now oversee materials development as a whole and am also involved in managing the laboratory. Guided by the belief that the maturity of materials determines a product’s potential, we pursue development through both improvement and innovation.

After concluding medium-term management plan 2025 in FY2025, TAIYO YUDEN will move forward to a new medium-term plan beginning in FY2026. At the core of that plan is the strengthening of our development capability. The current challenge in R&D is designing mass-production-level quality based on small-scale experiments. In recent years, product complexity has reached very high levels, making it difficult to reproduce conditions equivalent to

mass-production equipment at the laboratory scale. However, broadly prototyping and validating material compositions and process conditions at mass-production scale requires substantial materials and time, causing efficiency to drop markedly. In response, the new medium-term plan will focus on building an environment that balances experimental quality with efficiency and accelerates development. For example, we plan to advance product-property simulation using historical product databases and computational science, and to develop efficient experimental methods through combinatorial chemistry\*.

Human resource development is also an important theme in strengthening our development capability. The factors that determine the performance of capacitors and inductors are distributed across multiple process steps. Accordingly, we will rotate junior developers through assigned themes so they gain experience from materials development to production-process development, fostering personnel with broad experience. For future leader candidates, we will assign responsible roles, such as early promotion as group leaders, according to ability, encouraging growth in both technical and management skills.

We believe the essence of development capability that continuously creates high-value-added products lies in early engagement, with a view to the future. We intend to set multiple, flexible development goals that anticipate customer needs and to build a development organization that can respond quickly to change.

\*A method in which many compounds are synthesized concurrently to efficiently search for those with the desired functions.



R&D

Developing Research Talent

At the Research and Development Laboratory, we are strengthening our human capital with a focus on building a more innovative organization and cultivating people.

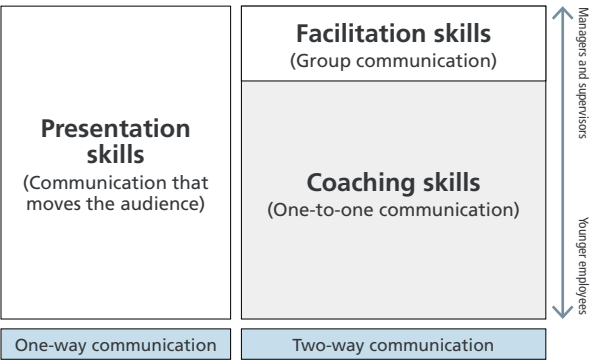
Since FY2021 we have been enhancing communication skills, aiming to realize the collective genius\* essential for innovation. We began by strengthening presentation skills to boost individual expression, followed by coaching skills, then facilitation skills to raise group output (Fig. 1).

For presentation skills, we conduct an annual objective, quantitative assessment for members who regularly present at the laboratory. In FY2024, the average score rose 20% versus FY2021. In particular, the frequency of high scores increased, lifting overall skill levels (Fig. 2).

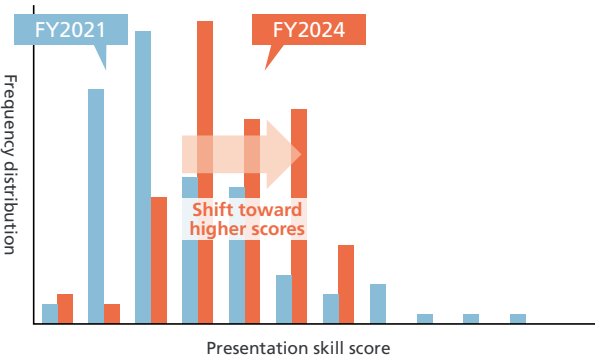
We also quantify progress on roadmapping skills, a program ongoing since FY2022. In FY2024, the average score by theme improved significantly from FY2022, achieving the target set at program launch. We will continue to strategically develop mid- to long-term roadmaps through backcasting.

\*The idea that combining individual talents enables genius-level outcomes as an organization.

(Fig. 1) Initiatives to strengthen communication skills



(Fig. 2) Changes in presentation skill scores



TAIYO YUDEN's Research Facility

We are committed to upholding our claim to be “the TAIYO YUDEN of technology and the TAIYO YUDEN of development.” Based on this, we opened the R&D Center (Takasaki City, Gunma Prefecture, Japan) in 1998 with the aim of continuing to create the world’s best products. Establishing the R&D Center has accelerated our R&D activities, and today it serves as a source of development and technological progress, and a foundation of creativity focusing on the future.

In 2020, we opened the Shin-Kawasaki Center SOLairoLab as a co-creation hub for external collaboration. Leveraging the concentration of research institutions and startups in the Shin-Kawasaki Sozo no Mori (“Forest of Creation”) area, the center strengthens our marketing and solution development through external engagement.

In FY2024, we engaged with over 550 visitors at the center and actively advanced efforts to create new markets with external partners and to help solve social issues. We also support student development, and have hosted a university “Practice School” program at the center. This time, doctoral students and faculty stayed for six weeks and explored our

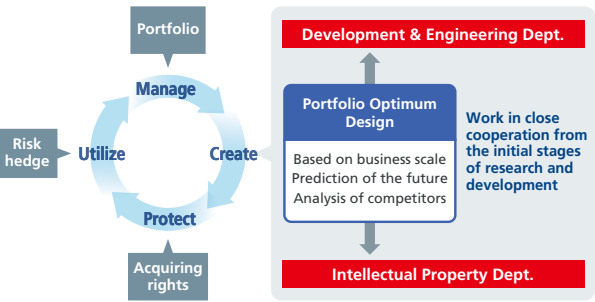
development challenges using a materials-plus-informatics approach. We will continue to actively pursue open innovation that creates both social and economic value.



Activities on Intellectual Property Rights

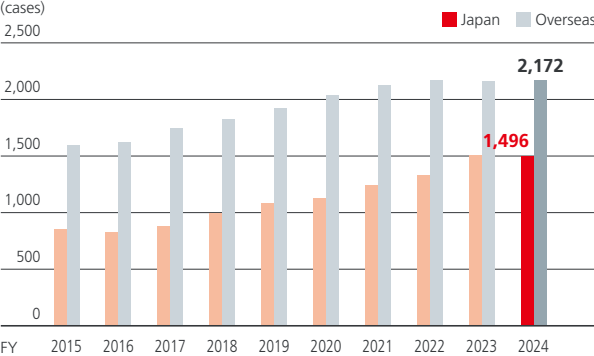
**Basic Policy**  
We, TAIYO YUDEN, endeavor to obtain, maintain and protect intellectual property rights for proper use, and also to respect the intellectual property rights of third parties, in accordance with our CSR Code of Conduct.

**Protection of Intellectual Property Rights**  
To stay ahead in research and development and secure solid intellectual property rights from our results, the Intellectual Property Department works closely with the Development and Engineering Department from the earliest stages. We also leverage our intellectual properties through a unique management approach that is optimized for each business unit.



**Number of Patents Held**  
The number of patents we hold has increased year by year (Fig. 3), and we obtain the necessary patents in Japan and overseas. These patents arise from our invention activities and include applications based on forecasting-driven thinking, starting from immediate issues, and backcasting-driven thinking, focused on future issues, with emphasis on both. Maintaining these patents entails costs, which we view as necessary investments to secure business freedom. We periodically review our portfolio, discontinuing obsolete patents and reallocating resources to filings that strengthen new technologies.

(Fig. 3) Number of patents held



Interview with the Head of Intellectual Property



Takeru Kojima  
General Manager,  
Intellectual Property  
Department

Intellectual property as an “offensive” asset that strengthens competitiveness and brand value

For over 20 years I worked at other companies, including overseas assignments, on patent litigation and licensing negotiations, gaining experience in both intellectual property operations and strategy.

In 2024 I became head of our Intellectual Property Department, and my goal is to shift from “defense” to “offense.” “Defense” means activities that protect existing rights, such as patent maintenance and infringement response. “Offense” means strategic patent creation for future competitiveness and leveraging intellectual property to increase our negotiating power.

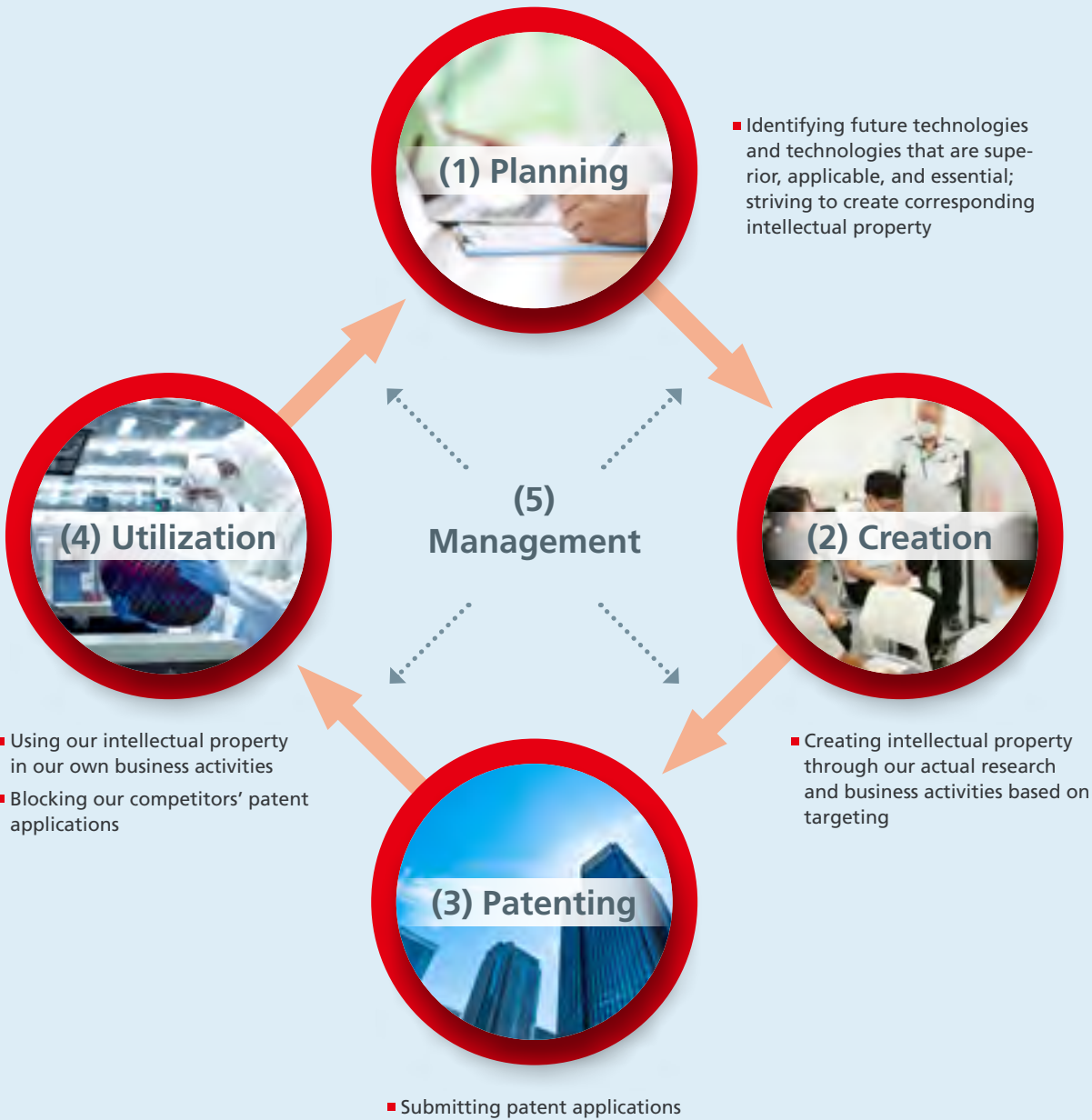
We have long used our strengths in materials and process technologies to develop distinctive technologies ahead of others, focusing on technologies with precedence, applicability, and necessity. Currently, we are concentrating our applications in priority areas, strengthening our analytical capabilities through AI tools, strengthening collaboration with our business divisions, and developing patents with an eye to the future. Going forward, we will make greater “offensive” use of intellectual property that underpins world-first and best-in-class products created through these efforts.

Intellectual property is a vital strategic resource directly tied to competitiveness and brand value. We will maximize its power to enhance our corporate value.

Special Feature 1

Intellectual Property Strategies for Protecting Technologies and Creating Value

TAIYO YUDEN doesn't strive simply to own intellectual properties that it has created in-house, but also to evolve them into strategic assets that create corporate value. We place great emphasis on five perspectives: planning that looks to future markets, creation based on our unique technologies, obtaining intellectual property rights that support our competitive power, using intellectual property rights to expand and protect our business, and overall optimization. Intellectual property is a bridge that connects technologies and management. It is the source of our sustained growth and our global competitiveness.



Planning

Identifying Sources of Competitive Power

Intellectual property is the launch point of business growth. That's why TAIYO YUDEN's intellectual property strategies are predicated on forecasting market needs and concentrating on technical fields where it can leverage its strengths to their fullest to secure a competitive advantage. We focus on unique technologies that are hard for competitors to copy, such as material technologies and process technologies. By differentiating ourselves, we aim to be a pioneer that creates the world's finest products. We see this as the driving force that supports the improvement of our corporate value and our sustainable growth.



**Preparing for the next medium-term management plan**

We are working to clarify which fields are our high priority fields. During the next medium-term management plan period, we will continue to supply high-value-added products for the high-reliability and cutting-edge markets, such as products for use in automobiles and AI servers. In line with this, led by our intellectual property strategies, we will also concentrate our limited resources in the fields where our strengths lie, striving for both speed and competitiveness.

Creating Future Competitiveness

After we identify the areas where we need to focus our improvement efforts, we offer development support. TAIYO YUDEN's Intellectual Property Department has always created intellectual property while working closely with departments engaged in R&D and business activities. From FY2022, we have been carrying out patent co-creation activities within TAIYO YUDEN to anticipate future market needs. These initiatives aim to predict future technical issues from a medium- and long-term perspective, instead of being hemmed in by short-term development themes, and secure patents for methods for addressing these technical issues. Technical personnel gather from various different departments to discuss future product requirements and come up with ideas in anticipation of future problems. These activities not only increase the number of patents that we hold, but also help foster a greater focus on intellectual property among technical personnel and promote better coordination between departments (▶ [p.49 Patent creation meetings that shape the future of TAIYO YUDEN](#)).

Going forward, we will introduce digital transformation and AI tools to enhance our analysis capabilities and heighten our competitiveness by improving both the speed and quality of our intellectual property creation.

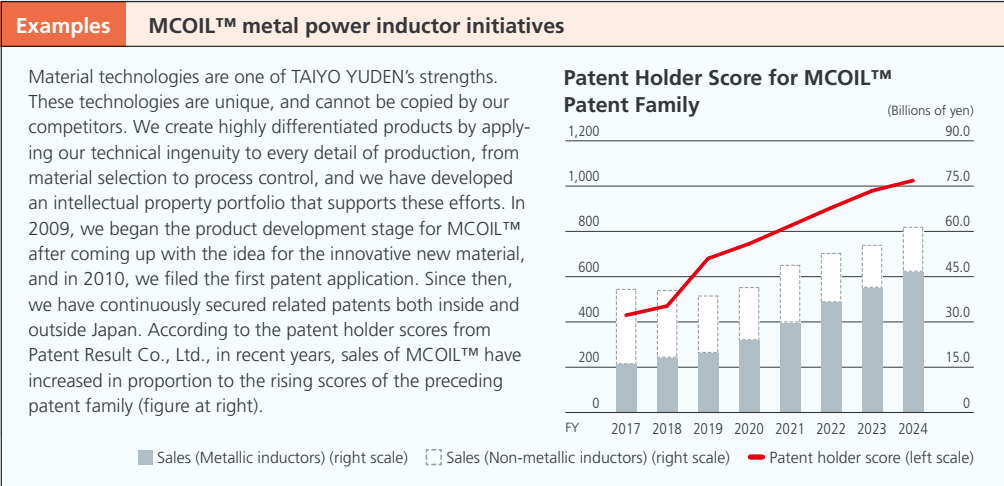


Creation

Patenting

Securing Rights for the Intellectual Property We Create

TAIYO YUDEN protects its technologies by patenting them. By doing so, we secure our future competitive advantage. We focus on two areas in securing intellectual property rights for the results of our research and development. The first is protecting the key technologies involved in supplying our products to the market. The second is thoroughly polishing our patent portfolio. We have created a system for maintaining our future market competitiveness by securely protecting our technical expertise in the form of intellectual property.

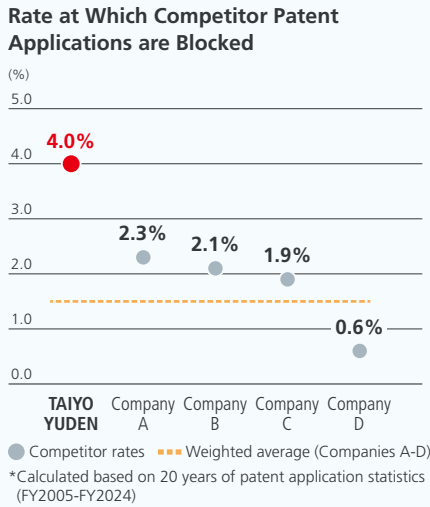




Special Feature 1: Intellectual Property Strategies

Using Our Intellectual Property to Protect the Freedom of Our Business Activities

TAIYO YUDEN doesn’t just protect its intellectual property. It utilizes this intellectual property to secure its competitive advantage. Patents aren’t merely intellectual property rights, they’re important assets--tools that support our business strategies and the freedom of our business activities. We are thorough in our patenting of the technologies that are essential to our products, but we also dedicate ourselves to creating patents that are influential when it comes to our competitors’ products. Our competitors aren’t just companies here in Japan, but also in countries such as Korea and China, so we are paying even closer attention to our competitors’ products and securing intellectual property rights. Our intellectual property activities help block competitors’ patent applications and ensure greater freedom for us in our product development and our market expansion. (See figure at right)



Utilization

Management

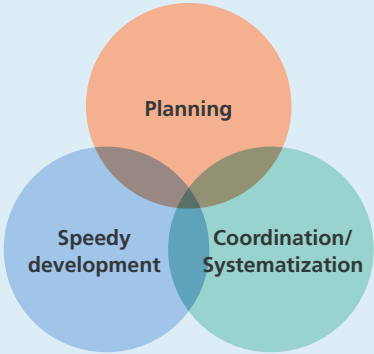
Using Our Intellectual Property Strategies to Increase Our Corporate Value

TAIYO YUDEN reviews and revises its overall intellectual property portfolio based on technological advances and changes in the business environment. We focus on high-value patents to heighten our competitive edge. In addition to clearly defining key themes and concentrating our patent application resources on them, we also create a number of patents which are influential with respect to other companies and markets. We refine the quality of our patent portfolio while improving its strategic effectiveness. Through this process, we do not simply boost our patent numbers, we also select intellectual property that will contribute to our business and we strengthen our intellectual property portfolio.

One issue going forward will be strengthening coordination within the Company. Intellectual property utilization has tended to be highly reliant on individuals, but we are working to systematize this by coordinating with business units, engineering departments, and outside experts such as patent firms. The Intellectual Property Department takes the lead, conducting periodic meetings with business units and engineering departments. At these meetings, they share information regarding the challenges faced in worksites and the future direction of the Company. By doing so, they heighten the effectiveness of our intellectual property strategies.

TAIYO YUDEN's network is an extremely tight-knit one. This enables us to revise our protection of intellectual property rights when the effectiveness of those rights has declined. At the same time, we can flexibly and speedily make decisions and take action, such as concentrating our resources on key fields.

Through this management approach, we aim to ensure the freedom of our product development, build a portfolio of influential intellectual property rights, maximize the value of this portfolio, and sustainably improve our corporate value.



Patent Creation Meetings that Shape the Future of TAIYO YUDEN

TAIYO YUDEN conducts in-house patent co-creation meetings as part of its intellectual property activities. The purpose of these activities is to create the patents that will support our future competitive edge, but we go beyond simple intellectual property management to fuse the creativity of our technical personnel with the strategic acumen of our business departments. Patents are shields that protect our technical strengths, but they are also tools that ensure our business freedom. We are continually implementing initiatives across departmental lines to maintain our future competitiveness.



[Background behind the launch of this initiative]

We launched this initiative because we were concerned by a rapid rise in the number of patent applications submitted by our competitors. TAIYO YUDEN had a tradition of using carefully calculated and well-tuned patents to protect its technologies from large competitors. However, in recent years, this approach was no longer enough. There was a growing need for us to strategically anticipate future technical issues and build a patent network ahead of the competition.

[Status of this initiative]

We launched this initiative in FY2022, and we have held one or two of these meetings every year since then. Technical personnel, Intellectual Property Department engineers, and patent attorneys work together as a team, focusing their efforts on coming up with ideas, conducting technical studies, and pioneering and deeply exploring potential inventions. We’re gradually refining and improving the way we conduct the meetings, but the core concept remains the same: “Think flexibly as you engage in discussions regarding future technical challenges, without allowing yourself to be hemmed in by the parameters of your own research themes.” We assemble teams of technical personnel from different departments, who normally seldom deal with each other in their day-to-day work, bringing together junior personnel and veteran engineers to

broaden the scope of discussions.

[Initiative results]

As a result of this initiative, we’ve been submitting dozens of patents each year. Participants have reported that the meetings have reduced the psychological hurdles involved in creating patents, saying that their ideas developed in new and unexpected directions, and that they enjoyed experiencing breakthroughs.

[Issues]

Deeply delving into invention ideas and bringing them to the patent application stage requires those involved to come together and engage in discussions. This takes both time and effort. Ingenuity must also be applied to the questions used to elicit information from technical personnel. Our goal is to foster even deeper discussions and create even higher quality patents by improving the composition of the cross-departmental teams and strengthening the initiative’s support system.

Engaging in deep deliberations and creating high-quality ideas directly links to our materiality of “strengthening core technologies to make our core business grow.” Predicting the features and quality that will be needed of our products in the future, and creating the structures and technologies necessary to achieve them—those will be the central pillars of our intellectual property strategies through the coming decades.

Interview with the Secretariat



**Kaede Nakajima**  
Patent Creation Activity  
Secretariat  
Intellectual Property  
Department

We want to draw out the creativity of our technical personnel

The concept of these meetings is “think flexibly as you engage in discussions regarding future technical challenges, without allowing yourself to be hemmed in by the parameters of your own research themes.” That’s why we started these meetings, in which we take technical personnel out of their day-to-day operations and pack them all in together. Each year, our approach differs slightly. In some years, the discussions cover everything over the course of a day, while in other years we’ll hold several sessions of group activities and discussions. We decide on what approach to use based on the technical theme and the features of the technical personnel who are taking part. Over the course of holding these meetings, we’ve also gotten a knack for understanding what kinds of approaches work best for which kinds of technical personnel. Participants have told us that the meetings were fun and that they have come to find patents interesting. I get the clear sense that their mentalities have changed as a result of this initiative. One comment that particularly stands out in my memory was from a technical staff member who worked with mass-produced products. They said “I haven’t had the chance to look at our competitors’ products, but this session has provided me with an opportunity to think about them.” This initiative has spread awareness of patent creation methods within business units, and we’ve started seeing them start to adopt these methods of their own accord.

This year, we’re focusing on concentrated discussions on specific themes, instead of using a more holistic approach. We’ll keep working to improve both efficiency and quality, evolving the initiative further to raise the baseline of TAIYO YUDEN's intellectual property strengths.



Section 3

[ Foundation Underpinning Value Creation ]

FOUNDATION

There are mounting expectations on companies to contribute to the resolution of social issues, such as by helping achieve SDGs that aim to solve issues on a global scale. Companies are also accelerating sustainable corporate activities that place emphasis on Environment, Social and Governance (ESG) concerns. The TAIYO YUDEN Group seeks to contribute to the resolution of social issues through its business activities and at the same time is promoting ESG-related corporate activities as the foundation underpinning value creation.

- From left:
- Seiichi Koike, Outside Director
  - Emiko Hamada, Outside Director
  - Masashi Hiraiwa, Outside Director
  - Tomomitsu Fukuda, Director, Senior Executive Operating Officer
  - Katsuya Sase, Representative Director, President and CEO
  - Toshiyuki Watanabe, Director, Executive Operating Officer
  - Toshimitsu Honda, Director, Audit & Supervisory Committee Member (Full-time)
  - Tomomi Fujita, Outside Director, Audit & Supervisory Committee Member
  - Tomoko Tsunoda, Outside Director, Audit & Supervisory Committee Member





Special Feature 2

President and Outside Director in Conversation

Efforts of TAIYO YUDEN’s Board of Directors to enhance corporate value

Katsuya Sase  
Representative Director,  
President and CEO

Masashi Hiraiwa  
Outside Director

TAIYO YUDEN continues to strengthen its corporate governance structure in an aim to ensure sustainable growth and medium- to long-term improvements in corporate value. Mr. Hiraiwa, an outside director, and President Sase met to exchange opinions on the topics of changes to discussions at meetings of the Board of Directors before and after the transition to a company with an Audit & Supervisory Committee, the purpose of the President serving as Chair of the Board of Directors, and succession plan.

Looking Back One Year After the Transition to a Company with an Audit & Supervisory Committee

**Hiraiwa** To date, TAIYO YUDEN has conducted approximately 10 evaluations of Board of Directors’ effectiveness. One issue that has consistently been raised is that there is too much discussion about business and not enough discussion about management strategies. Therefore, in order to shift the discussions at meetings of the Board of Directors towards a more strategic focus, it was concluded that it is appropriate to delegate the authority for making key business execution decisions to executive directors, while transitioning the Board

of Directors to a monitoring model. Another option when transitioning to a monitoring model is to adopt “a company with Nomination Committee, etc.” governance structure. However, given the scale and organization of TAIYO YUDEN, we decided to transition to a company with an Audit & Supervisory Committee, as we felt that this would be more practical and that strengthening internal controls would enable us to perform more robust auditing.

**Sase** Looking back one year after the transition to a company with an Audit & Supervisory Committee, I feel that the quality of discussions at executive meeting bodies has improved as a result of the Board of Directors delegating some of its authority. I also feel that there has been a very positive change at meetings of the Board of Directors as the number of remarks from outside directors has increased, leading to the exchange of opinions from diverse perspectives. Additionally, with the inclusion of Audit & Supervisory Committee members as Directors, the composition of the Board of Directors has become more diverse, creating more awareness of information gaps and industry norms. What

was considered common sense within the company may not be seen that way from the outside. This realization has led to more thorough discussions and explanations at meeting bodies, particularly of the Board of Directors. **Hiraiwa** Indeed, I also feel that over the past year, the focus of discussions at meetings of the Board of Directors has shifted to management strategies. Previously, about 60% of the discussions were practical and 40% were strategic, but now the ratio has reversed. Precisely because of the challenging business environment, we were able to allocate more time to strategic topics such as structural reforms and portfolio restructuring.

A Common Understanding of How Monitoring and Execution Should Be Carried Out

**Sase** TAIYO YUDEN’s Board of Directors aims to be a monitoring board, and its main role is to monitor management. This monitoring can be broadly divided into a decision-making role and a supervising role. Decision-making involves deciding matters for resolution by the Board of Directors as stipulated by laws and regulations, management strategies and policies, and key progress indicators (KPIs) for evaluating the company and its management team. Supervising involves closely watching, tracking, and evaluating these indicators. At TAIYO YUDEN, there are still some unclear aspects regarding evaluation methods, evaluation criteria, and supervising methods. That is why it is important for every director to have a shared understanding of what to observe and how to make judgments as a member of TAIYO YUDEN’s Board of Directors.

As outside directors, we have less information than executive directors. It is of course important to try to understand the methods of analysis and forecasting and the decision-making steps involved in preparing proposals for the Board of Directors, but you should not go too far. I believe that we need to continue to thoroughly discuss and clarify the nature of monitoring and execution at Board of Directors meetings.

**Hiraiwa** Drawing the line between monitoring and execution is a difficult topic for any company. What constitutes appropriate monitoring and how deeply an outside director should get involved are always subjects of discussion.



Reason and Purpose of the President Serving as Chair

**Hiraiwa** At TAIYO YUDEN, the President has been serving as Chair of the Board of Directors since June 2025. There is an opinion among the public that an outside director should preside over the Board to maintain neutrality, but I believe that our system is appropriate at this point in time. The chairperson is required to have the ability to facilitate the proceedings and lead the direction of the meeting. I believe that having the

President, who has a deep understanding of the company, chair the meetings improves the quality of discussions and leads to increased corporate value. Meanwhile, since outside directors make up the majority of the Board of Directors, it can be said that there is a system in place to effectively apply the brakes if the Chair were to act recklessly. I therefore believe that the current system—in which



Special Feature 2: President and Outside Director in Conversation

the Board of Directors, whose intrinsic duty is to increase corporate value, is mostly made up of outside directors but presided over by the President—strikes a good balance between the offensive and defensive aspects of governance.

**Sase** With many business-related topics on the agenda, it is important that the chair has a deep understanding of the details. While an external perspective is important, meaningful discussions cannot occur if the premise of the discussion is mistaken. To achieve an effective board of directors at TAIYO YUDEN today, I believe it is necessary for me, as Chair, to guide the directors to make appropriate decisions.

**Hiraiwa** What do you pay particular attention to in your role as Chair of the Board of Directors?

**Sase** Reducing information gaps and biases. I encourage outside directors to participate as observers in Management

Committee and strategy planning meetings so that they can share the same information.

I also pay attention to making participants’ statements clear at Board of Directors meetings. I make clear whether their statement is an opinion, a question, or their impression, and if necessary, I leave it as a topic for consideration at the next meeting. This helps to ensure that discussions do not end without follow-up and that the PDCA cycle is properly implemented.

**Hiraiwa** When you lead meetings, I feel that you are logical, listen carefully to others, and organize information well. You listen to the opinions of us outside directors and take into account past discussions. As a result, I have seen more opinions expressed at Board of Directors meetings, and I feel that discussions are becoming livelier, so your capabilities as Chair give me high hopes for the future.

Succession Plan at TAIYO YUDEN

**Sase** When it comes to succession plan for the office of president, I think it is necessary to make preparations for the short term (what to do right now in the event of an emergency), the medium term (within the next few years), and the long term (more than five years from now). In the event of an emergency, the line of succession is clearly defined, and a system is in place to respond immediately.



Meanwhile, we are currently working on developing medium- and long-term succession plans. We have created a list of managers in different positions who are candidates to take over as the next generation of executive officers and we are systematically fostering their development. Regarding candidates for president, the Nomination Committee has started discussions, and will narrow down the candidates over the next few years after identifying what qualities and knowledge are required.

What I particularly value is whether or not the candidate has experience overcoming difficult situations. People who have overcome a difficult situation, especially one involving outside parties, possess strength. For those who do not have such experience, I think it is necessary to deliberately put them in a harsh environment.

**Hiraiwa** It is said that monitoring management by outside directors mainly involves two main responsibilities: nomination and remuneration. The succession plan for the President is prerequisite for the nomination category. Ensuring that it goes smoothly is a very significant issue. We have already established workflow by which qualified talent is identified, developed, nominated by the President, and reviewed by the Nomination Committee in accordance with the guidelines of the Ministry of Economy, Trade and Industry\*.

However, the qualities required of a company president vary depending on the stage of the company. During periods of growth, a president needs a calm manner and the ability to grow, while in times of change like the present, analytical skills and bold decision-making are necessary. In that respect, I feel that you are the right leader for TAIYO YUDEN at this time. Furthermore, after becoming President, you began thinking about succession plan at an early stage. It is precisely because we have the luxury of time that we can prepare to nurture the next generation. I think this is a major strength for TAIYO YUDEN in aiming for sustainable growth.

\*Ministry of Economy, Trade and Industry’s “Practical Guidelines for Corporate Governance Systems”

ESG Governance

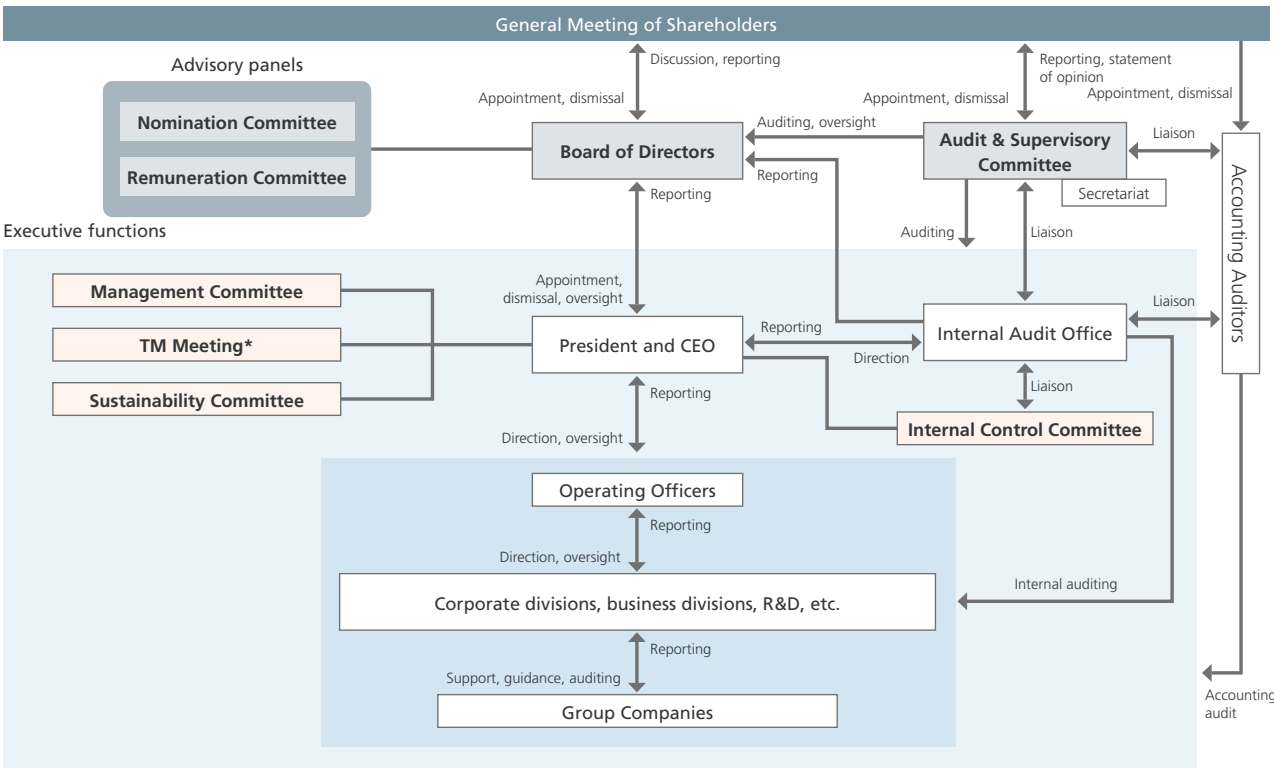
Basic Policy for Corporate Governance

Moving toward the practice and realization of the corporate mission, management philosophy, and vision, TAIYO YUDEN believes in corporate social responsibility and the mission of management to develop businesses on an ongoing basis while fulfilling sociality, public interest and public nature of the Company from a global viewpoint. Based on this belief, with an emphasis on transparency and fairness of corporate

management, TAIYO YUDEN is making efforts to enhance corporate value by improving governance under the supervision of the Board of Directors, including the development of structures and mechanisms that enable timely and appropriate information disclosure, thorough compliance, and speedy decision making and execution of duties.



Governance Structure (As of July, 2025)



\*TM Meeting: Abbreviation of Top Management Meeting, which is a meeting body to discuss matters concerning personnel and organization

**Board of Directors**

The Board of Directors, presided over by the Representative Director, President and Chief Executive Officer, consists of 9 members, including five Outside Directors. The Board formulates legal matters, management strategies and other basic policies, receives reports on matters delegated to executive directors, and supervises the execution of business operations. The Board also maintains an internal control system to promote compliance and manage risks.

**Audit & Supervisory Committee**

The Audit & Supervisory Committee, presided over by an Outside Director, consists of three members, including two Outside Directors. The Directors who are Audit & Supervisory Committee members attend the Nomination Committee, the Remuneration Committee and other important internal meetings while also working closely with the Accounting Auditors, the Internal Audit Office, and the Audit and Supervisory Board of Group companies to ensure highly effective auditing.

**Nomination Committee**

The Nomination Committee, presided over by an Outside Director, consists of all the Outside Directors who are not Audit & Supervisory Committee members, along with the Representative Director, President and Chief Executive Officer. For auditing purposes, one member appointed by the Audit & Supervisory Committee attends the Nomination Committee's meetings. The Committee deliberates on the nomination (and re-appointment) of Director candidates, the appointment and dismissal of the President and Chief Executive Officer, and disciplinary matters, and it then reports its findings to the Board of Directors.

**Remuneration Committee**

The Remuneration Committee, presided over by an Outside Director, consists of all the Outside Directors who are not Audit & Supervisory Committee members, along with the Representative Director, President and Chief Executive Officer. For auditing purposes, one member appointed by the Audit & Supervisory Committee attends the Remuneration Committee's meetings. The Committee deliberates on remuneration plans for Directors and Operating Officers as well as the contents of remuneration paid to each Director, and it then reports the deliberation results to the Board of Directors.

**Management Committee**

The Management Committee, presided over by the President and Chief Executive Officer, is composed of all Operating Officers. Non-Executive Directors attend the Committee's meetings as observers. The Committee deliberates on the Group's policy matters, such as basic policy on business, sales strategies and investments, and it then resolves matters delegated by the Board of Directors.

**TM (Top Management) Meeting**

The TM Meeting, presided over by the President and Chief Executive Officer, is composed of the Operating Officers who concurrently serve as Directors and the Operating Officers who are Chiefs of Headquarters. For auditing purposes, one member appointed by the Audit & Supervisory Committee attends the Meetings. The Meeting deliberates on matters concerning personnel, organization and remuneration of the Group, and it then resolves matters delegated by the Board of Directors.

**Internal Control Committee**

The Internal Control Committee, presided over by the President and Chief Executive Officer, consists of the Operating Officers who concurrently serve as Directors. The Directors who are not members of the Committee, the Operating Officers who are Chiefs of Headquarters, and the head of the Internal Audit Office attend the Committee meetings as observers. Based on the "Basic Policy on Maintenance of Internal Control System," the Committee works to improve the internal control system on an ongoing basis and examines and evaluates the design and the operating effectiveness of the system to report the evaluation results to the Board of Directors.

**Sustainability Committee**

The Sustainability Committee, presided over by the President and Chief Executive Officer, consists of the Operating Officers who are Chiefs of Headquarters and the Operating Officer in charge of sustainability. In addition, Directors who are not members attend the Committee's meetings as observers. The Committee deliberates on the setting of materiality (key issues) for the Company, the sharing of such issues, and measures to resolve them and reports the deliberation results to the Board of Directors.

Activities of the Board of Directors

Matters to be submitted to the Board of Directors are determined in the Regulations of the Board of Directors and are appropriately deliberated and resolved. The Board of Directors regularly deliberates on, among others, reporting in the Management Committee and the TM Meeting, management reports by Executive Directors, reports from Executive Directors and Operating Officers for their areas of responsibility, and the issues identified in the evaluation of the effectiveness of the Board of Directors.

Main deliberation content (FY2024)		
Board of Directors (Seventeen times)	Governance	<ul style="list-style-type: none"><li>■ Transition to a Company with an Audit &amp; Supervisory Committee</li><li>■ Appropriate delegation of authority to Executive Directors in conjunction with the change in institutional design</li><li>■ Appointment of Director candidates and others</li><li>■ Conducting an evaluation of the effectiveness of the Board of Directors and determining countermeasures for issues from the previous fiscal year</li></ul>
	Management strategy	<ul style="list-style-type: none"><li>■ Deliberation on business strategies and capital investments, etc., based on the medium-term management plan</li><li>■ Approval of business plan and confirmation of progress</li></ul>
	Sustainability	<ul style="list-style-type: none"><li>■ Deliberations on the report from the Sustainability Committee</li><li>■ Deliberations on human capital</li></ul>

Activities of the Advisory Panels

To strengthen transparency and objectivity in the appointment and remunerations of Directors, we have established voluntary Nomination and Remuneration Committees. The majority of both committees are Independent Outside Directors (excluding Audit & Supervisory Committee members).

Main deliberation content (FY2024)	
Nomination Committee (Six times)	<ul style="list-style-type: none"><li>■ Proposed revisions to the Regulations of the Nomination Committee, Operating Officer Regulations, and Director Appointment Regulations</li><li>■ Deliberation regarding concurrent service of outside Directors as officers of other corporations</li><li>■ Direction for the formulation of the President succession plan and proposed revisions to the skills matrix for officers</li></ul>
Remuneration Committee (Five times)	<ul style="list-style-type: none"><li>■ Deliberation regarding content of remuneration of individual Directors and Operating Officers</li><li>■ Proposed amendments to the Director Remuneration Regulations, Regulations of the Remuneration Committee, Operating Officer Remuneration Regulations</li><li>■ Deliberation on the Shareholding Guidelines for Directors</li><li>■ Deliberation on measures to transition unexercised share acquisition rights to restricted stock</li></ul>

Activities of the Audit & Supervisory Committee

The Audit & Supervisory Committee (formerly the Audit & Supervisory Board until the conclusion of the 83rd Annual General Meeting of Shareholders held on June 27, 2024) holds monthly meetings in conjunction with the meetings of the Board of Directors, reviews reports from the Accounting Auditor, and convenes extraordinary meetings as necessary.

Main deliberation content (FY2024)		
Audit & Supervisory Board meetings (Six times) Audit & Supervisory Committee meetings (fourteen times)	Matters to be resolved	■ Reappointment of the Accounting Auditor, Audit Report of the Audit & Supervisory Board, results of audits under the Financial Instruments and Exchange Act, auditing policy and the audit plan, approval of the audit fees for the Accounting Auditor, approval of the proposal to appoint a substitute Audit & Supervisory Committee Member, prior approval of non-guarantee services by the Accounting Auditor
	Matters to be reported	■ Internal audit plan, J-SOX reports, subsidiary audit reports, Legal Department activity reports, Sales Headquarters activity reports, report on activities regarding human capital, minutes of meetings of the Board of Directors, etc.
	Matters for discussion	■ Review of Key Audit Matters (KAM), evaluation of the effectiveness of Audit & Supervisory Board audits, revision of audit policies and audit plans, policy for reappointment of the Accounting Auditor, etc.

ESG / Governance

Evaluation of the Effectiveness of the Board of Directors

The Company conducts the evaluation of the effectiveness of the Board of Directors annually to improve the effectiveness of the Board of Directors and enhance its corporate value. In addition to revising the evaluation items and questionnaire content, based on the suggestions of an external evaluation agency, we had the external evaluation agency be in charge of the administration from the distribution of the questionnaire and the aggregation of answers to the analysis of results in order to increase the objectivity and transparency of the evaluation process. The evaluation process and results for the current fiscal year are as follows.

1. Evaluation process

- (1) Consider the evaluation methods and questionnaire content for the current fiscal year, based on the suggestions and advice of the external evaluation agency, and report to the Board of Directors.
- (2) The external evaluation agency conducts a (anonymous) questionnaire to evaluate the effectiveness of all Directors.
- (3) The external evaluation agency compiles and analyzes the results of the questionnaire described in (2) above, extracts issues and opinions that may require discussion, and reports them.

- (4) Evaluation meetings were conducted by all Directors based on the results of the questionnaire in (3) above.
- (5) Discussed opinions and issues that come up in the evaluation meetings by the Board of Directors, and determined any issues to be addressed.

2. Evaluation (Questionnaire) items

- (1) Composition and operation of the Board of Directors
- (2) Management strategy and management plan
- (3) Corporate ethics and risk management
- (4) Supervision of nomination and remuneration
- (5) Dialogue with shareholders, etc.

3. Evaluation by external organization

Based on their evaluation, the external evaluation agency found that the Company is working seriously on the evaluation of the effectiveness of the Board of Directors and is striving to improve its corporate value further. In particular, based on the results of the effectiveness evaluation questionnaire, all Directors held discussions to review the necessity of separating supervision and execution, as well as the composition of the Board of Directors as a supervisory body; this initiative was highly praised for fostering a shared understanding among all Directors on the significance of enhancing effectiveness, while engaging in the “Evaluation of the Effectiveness of the Board of Directors” with a consciousness of the PDCA cycle.

4. Status of initiatives for issues in the previous fiscal year

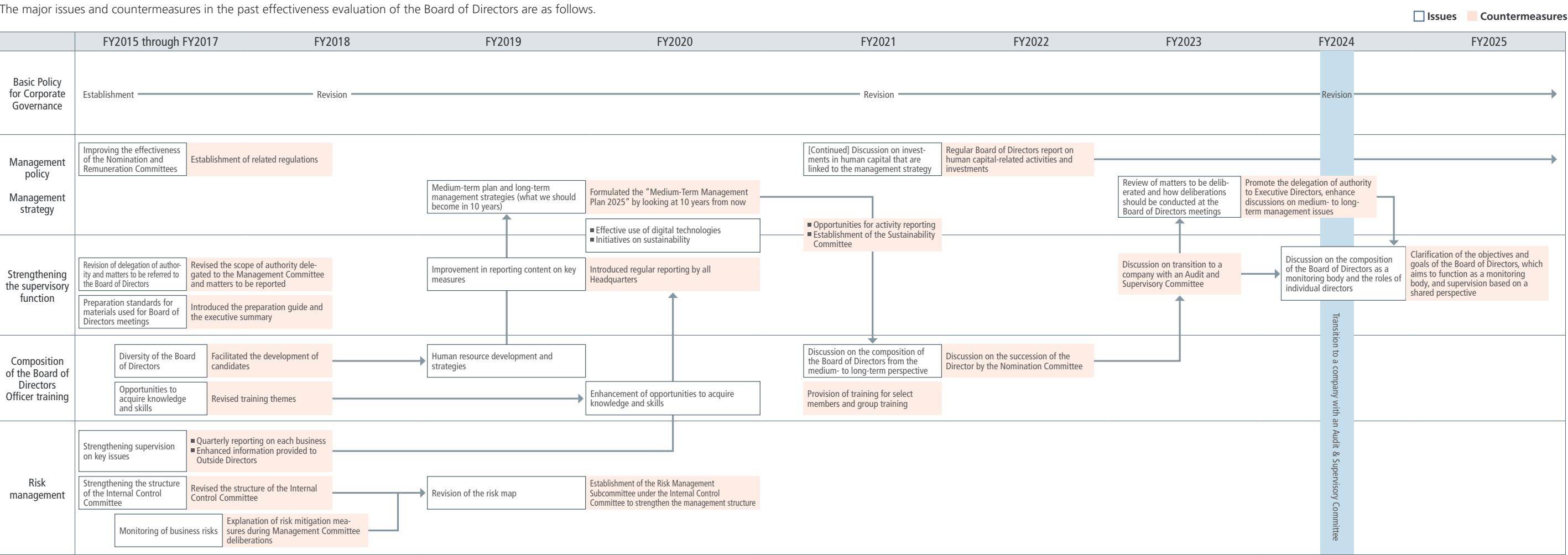
**Issue (1)**  
“Discussion on investments in human capital that are linked to the management strategy”  
The Board of Directors receives regular reports on activities and investments related to human capital, and oversees the progress of these efforts; however, since improvements in evaluation take time, we recognize this as being an ongoing issue and will continue to address it.

**Issue (2)**  
“Review of matters to be deliberated and how deliberations should be conducted at the Board of Directors meetings”  
In conjunction with the transition to a company with Audit & Supervisory Committee, the delegation of authority to Executive Directors has been promoted, and a review of matters to be submitted to the Board of Directors and related regulations was conducted in order to allow the Board to spend more time deliberating on medium- to long-term management issues.

5. Issues for the current fiscal year

With the transition to a company with Audit & Supervisory Committee and an increased ratio of outside directors on the Board of Directors, we recognize the need to deepen discussions on “the composition of the Board of Directors as a monitoring body and the roles of individual directors,” and have identified this as being a new issue to address. The Company will endeavor to maintain and enhance the effectiveness of the Board of Directors by continuously working on issue (1) “Discussion on investments in human capital that are linked to the management strategy” in above, in addition to newly recognized issues.

Major Issues and Countermeasures in the Effectiveness Evaluation of the Board of Directors





Skills and Composition of Directors

Skills Matrix (main areas of expertise and experience of the Board of Directors) (As of July, 2025)

⊙ Committee Chair ○ Members

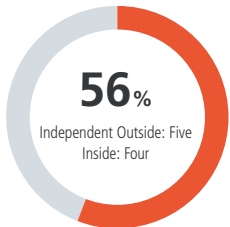
	Main areas of expertise and experience							Nomination Committee	Remuneration Committee
	Corporate management	Technology/ R&D	Sales/ Marketing	International experience	Finance/ Accounting	Legal	ESG/ Sustainability		
Katsuya Sase	●	●	●				●	○	○
Tomomitsu Fukuda	●			●	●		●		
Toshiyuki Watanabe	●		●	●					
Masashi Hiraiwa Outside Independent				●		●		⊙	○
Seichi Koike Outside Independent	●	●		●				○	⊙
Emiko Hamada Outside Independent		●	●				●	○	○
Toshimitsu Honda (Audit & Supervisory Committee Member (Full-time))	●			●					
Tomomi Fujita (Audit & Supervisory Committee Member) Outside Independent						●	●		
Tomoko Tsunoda (Audit & Supervisory Committee Member) Outside Independent	●				●		●		

Note 1: Note that the table above does not necessarily show all experience and knowledge that the officers have.  
2: For the purpose of supervision, the Audit & Supervisory Committee nominates one member to participate in the Nomination Committee and another in the Remuneration Committee.

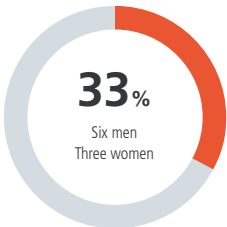
Skills	Reasons for selecting these skills
Corporate management	To formulate and execute management strategies and supervise management to enhance our corporate value sustainably.
Technology/R&D	To create high-value electronic components, focusing on high-end and highly reliable products, and secure market dominance.
Sales/Marketing	To formulate and implement appropriate strategies with the aim of adapting to the diverse and rapidly changing business environment.
International experience	To appropriately supervise the formulation and execution of strategies and business operations in our globally active Group, where a high percentage of sales comes from overseas markets.
Finance/Accounting	To develop financial strategies and capital policies that align with management strategies and to carry out IR activities, taking into account demands from capital markets.
Legal	To ensure compliance with applicable laws and corporate ethics, to meet the trust of all stakeholders, and to build and implement a system that enables healthy, proper, and efficient business execution.
ESG/Sustainability	To recognize that ESG factors can present both opportunities and risks for management and to contribute to creating a sustainable society by addressing social issues through business activities.

Composition of the Board of Directors

Ratio of independent Outside Directors

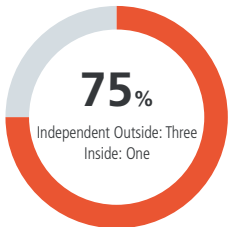


Ratio of female Directors



Composition of the Nomination Committee / Remuneration Committee

Ratio of independent Outside Directors



Corporate Officer Remuneration System

TAIYO YUDEN's remuneration plans for directors (and other officers) shall be designed to raise motivation for the achievement of the goals for the economic value and social value of the medium-term management plan in accordance with the following basic principles.

- (1) Remuneration plans shall emphasize the linkage with remuneration and the Group's sustainable growth and medium to long-term corporate value and be designed to share the same value with shareholders.
- (2) Remuneration shall be set at levels that can attract and retain excellent human resources with global perspective.
- (3) The process to determine remuneration shall be highly transparent and objective.

We have incorporated the progress of social value targets from the medium-term management plan into the personal evaluation indicators of corporate officers, ensuring that their ESG initiatives are reflected in their compensation.

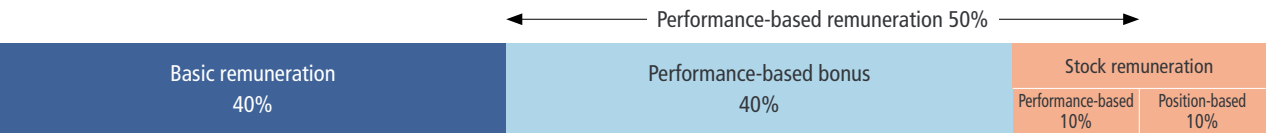
For stock-based compensation, we have introduced a restricted stock compensation plan in which part of the remuneration is linked to individual performance in order to promote management practices that enhance corporate value over the medium to long-term.

In addition, to encourage the sharing of greater value with shareholders, we have established the Shareholding Guidelines for Directors specifically for Executive Directors.

Composition of remuneration

Type of remuneration		Content, etc. of remuneration	Fixed/ variable
Basic remuneration		Monthly cash in accordance with position and responsibilities	Fixed
Performance-based bonus		Cash to be paid at a fixed time each year in accordance with the consolidated performance for each fiscal year. Consolidated profit will be used as the relevant performance indicator to establish a clearer linkage between remuneration and factors contributing to the enhancement of corporate value and shareholder value. The standard amount of remuneration shall be designed to fluctuate based on the consolidated profit for the fiscal year under review in a manner that the ratio of basic remuneration to performance-based bonus is 1:1 when the goal of the medium-term management plan is achieved. The actual amount to be paid shall be determined by multiplying the standard amount to be paid by the coefficient (75% to 125%) as calculated from the level of performance of the business the applicable officer is in charge of, the level of achievement of the social value goal in the medium-term management plan, and individual evaluation.	Variable
Stock remuneration	Restricted stock remuneration by position	On the condition of continuous service for the period set by the Company's Board of Directors, restricted stock will be issued in advance at a certain time each year in accordance with the standard amount set for each position. The restrictions shall be released upon the forfeiture of all and any positions as Director and Operating Officer of the Company.	Fixed
	Performance-based post-delivery restricted stock remuneration	Restricted stock as calculated in accordance with the level of achievement of the return on equity (ROE) in the medium-term management plan will be issued at the end of each fiscal year. The amount will vary within the range of 0% to 300% against the standard amount for each position, based on the level of achievement of consolidated ROE. The restrictions shall be released upon the forfeiture of all and any positions as Director and Operating Officer of the Company.	Variable

Composition of remuneration for Executive Directors (as per design)



\*The designed value set under the assumption that the level of achievement of the medium-term management plan is 100%

ESG / Governance



Executives (As of July 1, 2025)

Directors



**Representative Director,  
President and CEO**  
**Katsuya Sase**  
Apr. 1986 Joined the Company  
Jun. 2013 Operating Officer of the Company  
Jun. 2016 Director and Executive Operating Officer of the Company  
Jun. 2018 Director and Senior Executive Operating Officer of the Company  
Jun. 2023 Representative Director, President and CEO of the Company (to the present)



**Director,  
Senior Executive Operating Officer**  
**Tomomitsu Fukuda**  
Apr. 1990 Joined the Company  
Jun. 2013 Operating Officer of the Company  
Jun. 2021 Director and Senior Operating Officer of the Company  
Jun. 2022 Director and Executive Operating Officer of the Company  
Jun. 2025 Director and Senior Executive Operating Officer, in charge of Management Planning Headquarters, Chief of Management Planning Headquarters of the Company (to the present)



**Director, Audit & Supervisory Committee Member (Full-time)**  
**Toshimitsu Honda**  
Mar. 1981 Joined the Company  
Oct. 2007 President of TAIYO YUDEN (PHILIPPINES), INC.  
Apr. 2016 Operating Officer of the Company  
May 2018 Senior Operating Officer of the Company  
Jun. 2020 Executive Operating Officer of the Company  
Jun. 2023 Full-time Audit & Supervisory Board Member of the Company  
Jun. 2024 Director, Audit & Supervisory Committee Member (Full-time) of the Company (to the present)



**Outside Director, Audit & Supervisory Committee Member**  
**Tomomi Fujita**  
Oct. 2004 Registered as attorney (to the present) Associate of Kitahama Partners  
Jan. 2012 Partner of Kitahama Partners  
Apr. 2016 Partner of Innoventier (to the present)  
Jun. 2019 Outside Audit & Supervisory Board Member of the Company  
Outside Director (Audit & Supervisory Committee Member) of TAKUMA CO., LTD.  
Feb. 2020 Vice President of Licensing Executives Society Japan (to the present)  
Apr. 2022 Visiting Professor of KYOTO UNIVERSITY LAW SCHOOL  
Jun. 2023 Registered as attorney in the State of California, USA (to the present)  
Apr. 2024 Outside Audit & Supervisory Board Member of STYLEM TAKISADA-OSAKA CO., LTD. (to the present)  
Jun. 2024 Outside Director, Audit & Supervisory Committee Member of the Company (to the present)



**Director, Executive Operating Officer**  
**Toshiyuki Watanabe**  
Apr. 1985 Joined the Company  
Apr. 2016 Operating Officer of the Company  
Jun. 2021 Senior Operating Officer of the Company  
Jun. 2024 Director and Senior Operating Officer  
Jun. 2025 Director and Executive Operating Officer, in charge of Sales Headquarters, Chief of Sales Headquarters of the Company (to the present)



**Outside Director**  
**Masashi Hiraiwa**  
Apr. 1981 Registered as attorney (to the present) Joined OHHARA LAW OFFICE (to the present)  
Aug. 2005 Supervisor of LCP, Inc.  
Oct. 2012 Supervisor of Japan Logistics Fund, Inc.  
Jun. 2016 Outside Director of the Company (to the present)  
Apr. 2024 Director of SAZABY LEAGUE, Ltd. (to the present)



**Outside Director, Audit & Supervisory Committee Member**  
**Tomoko Tsunoda**  
Oct. 2001 Joined Tohmatsu & Co. (Currently Deloitte Touche Tohmatsu LLC)  
Oct. 2006 Established a personal accounting office  
Dec. 2007 Registered as a certified public accountant (to the present)  
Oct. 2008 Joined Deloitte Touche Tohmatsu LLC  
Feb. 2014 Established Tomoko Tsunoda Certified Public Accountant Office Representative of Tomoko Tsunoda Certified Public Accountant Office (to the present)  
Jun. 2018 Outside Director of Housecom Corporation  
Aug. 2018 Representative Director of Lumiere Ltd. (to the present)  
Jun. 2021 Outside Audit & Supervisory Board Member of KATITAS Co., Ltd. (to the present)  
Jun. 2024 Outside Director, Audit & Supervisory Committee Member of the Company (to the present)



**Outside Director**  
**Seiichi Koike**  
Apr. 1980 Joined Toyo Kogyo Co., Ltd. (Currently Mazda Motor Corporation)  
Mar. 1982 Joined Honda R&D Co., Ltd.  
Apr. 2004 General Manager of Automobile R&D Center Brazil of Honda R&D Co., Ltd.  
Apr. 2008 Executive Officer and General Manager of Development Engineering Headquarters of Honda Foundry Co., Ltd.  
Jun. 2011 Director of Honda Foundry Co., Ltd.  
Jun. 2012 Director of Metts Corporation  
Jun. 2013 Audit & Supervisory Board Member of Metts Corporation  
Audit & Supervisory Board Member of Honda Foundry Co., Ltd.  
Jun. 2018 Outside Director of the Company (to the present)  
Apr. 2019 Outside Audit & Supervisory Board Member of Pixie Dust Technologies, Inc. (to the present)



**Outside Director**  
**Emiko Hamada**  
Apr. 1984 Joined the Company  
Dec. 2001 General Manager of R Technology Department, Overall Technology & Quality Assurance Management, Technology Group of the Company  
Sep. 2003 Chief Researcher of Basic Research and Development Department, Research Institute, Technology Group of the Company  
Apr. 2007 Left the Company  
Nov. 2008 Associate Professor of Center for Social Contribution and Collaboration of Nagoya Institute of Technology  
Apr. 2011 Professor (Techno-Business Administration) of Graduate School at Center for Social Contribution and Collaboration of Nagoya Institute of Technology  
Apr. 2012 Professor of Center for Research on Assistive Technology for Building a New Community of Nagoya Institute of Technology  
May 2015 Third Sector Program Officer of Adaptable and Seamless Technology transfer Program through target-driven R&D of Japan Science and Technology Agency  
Aug. 2016 Visiting Professor of Nagoya University  
Jun. 2017 Outside Director of NGK INSULATORS, LTD. (to the present)  
Jun. 2019 Outside Director of the Company (to the present)  
Sep. 2024 Trustee, Nagoya City University (to the present)



**President and CEO**  
**Katsuya Sase**



**Senior Executive Operating Officer**  
**Tomomitsu Fukuda**  
in charge of Management Planning Headquarters



**Executive Operating Officer**  
**Toshiyuki Watanabe**  
in charge of Sales Headquarters



**Executive Operating Officer**  
**Shunji Murai**  
in charge of 1st Business Headquarters



**Senior Operating Officer**  
**Susumu Higuchi**  
in charge of Global SCM Development Division



**Senior Operating Officer**  
**Mitsuo Takagi**  
in charge of 2nd Business Headquarters



**Senior Operating Officer**  
**Osamu Ikata**  
in charge of RF Device Business



**Senior Operating Officer**  
**Iwao Fujikawa**  
in charge of Intellectual Property, Legal, Internal Audit Office



**Operating Officer**  
**Osamu Haruyama**  
in charge of Quality Assurance Division



**Operating Officer**  
**Shoji Shibasaki**  
in charge of Multilayer Capacitor, Multilayer Inductor, Products Planning & Management



**Operating Officer**  
**Shoichiro Hirakuni**  
in charge of Research and Development Laboratory



**Operating Officer**  
**Satoshi Yamazaki**  
in charge of Human Resources and General Affairs



**Operating Officer**  
**Kenichi Suzuki**  
in charge of Sales and Business Development Division



**Operating Officer**  
**Yukihiko Konishi**  
in charge of Research and Development Laboratory



**Operating Officer**  
**Nobuhiro Sasaki**  
in charge of Multilayer Capacitor



For the career summaries of Directors, please refer to the Executives page on the Company's website.  
<https://www.yuden.co.jp/en/company/officer/>

ESG / Governance



Risk Management and Compliance

Basic Policy

TAIYO YUDEN believes that in order for a company to achieve sustainable growth, it is important to meet the demands and expectations of stakeholders, appropriately manage anticipated risks, fulfill social responsibilities by contributing to social development, and gain widespread social trust.

Therefore, at TAIYO YUDEN, we define CSR as “compliance, risk management, and contribution to society,” and define CSR activities as activities related to compliance and risk management in accordance with the “CSR Charter (TAIYO

YUDEN Group Charter on Social Responsibility)” and “CSR Code of Conduct (TAIYO YUDEN Group Code of Conduct on Social Responsibility),” which we are implementing across the entire Group.

**CSR Charter**  
<https://www.yuden.co.jp/en/sustainability/governance/compliance/charter/>

**CSR Code of Conduct**  
<https://www.yuden.co.jp/en/sustainability/governance/compliance/rule/>

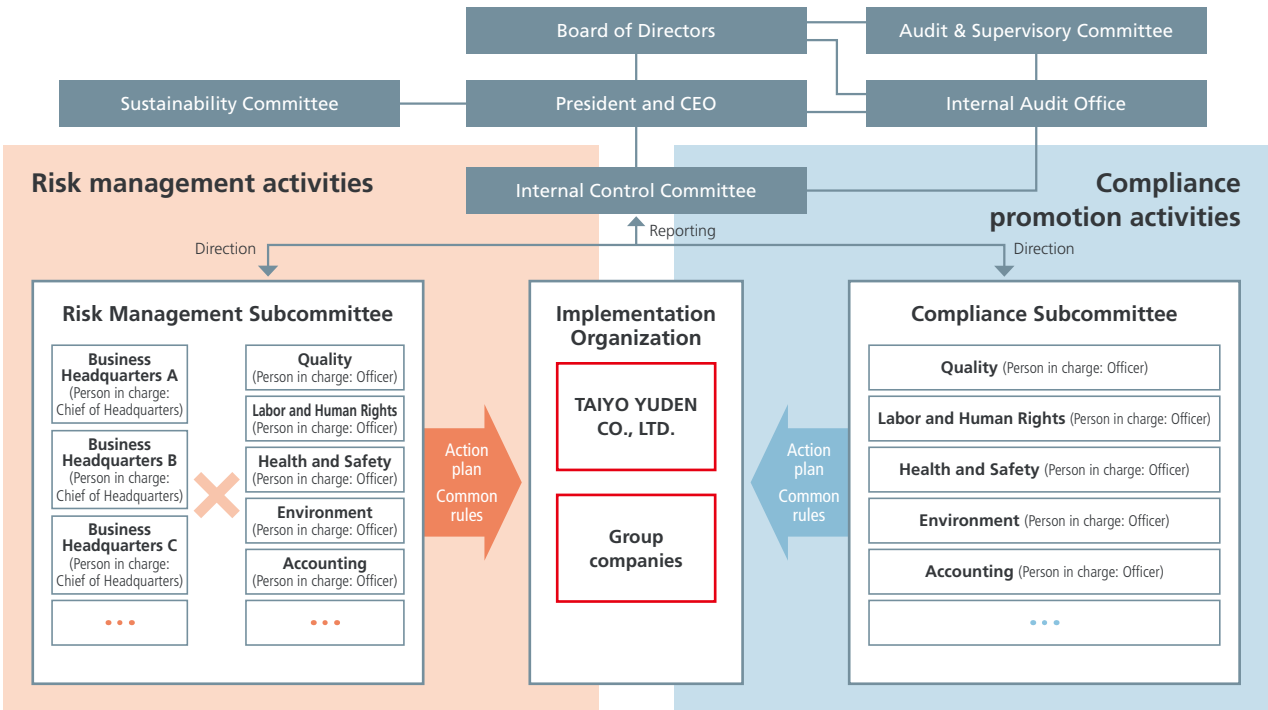
Promotion Framework

Every year, TAIYO YUDEN finalizes its plans for CSR activities in light of trends in laws, regulations, and rules. The finalized plan is reported to the Internal Control Committee, which oversees all activities, as well as to the Board of Directors through the President and CEO. The results of the activities are reported the following year.

To prepare for potential issues and matters of concern, we have built a system for implementing countermeasures as well as actions to prevent recurrence. We also strive to reduce the occurrence of issues and matters of concern by conducting periodic training sessions.

Risk management activities are carried out by a system in which each division takes responsibility for promoting appropriate risk identification, evaluation, and countermeasures at each implementation organization, based on the major risks and countermeasures indicated by the officers in charge and HQ departments appointed for each target risk.

Compliance promotion activities are carried out by a system in which officers in charge and HQ departments are appointed for each article of the CSR Code of Conduct as promotion organizations, and the implementation organization executes activities according to the activity policies and group-wide rules provided by the appointed officers in charge and departments.



Risk Management

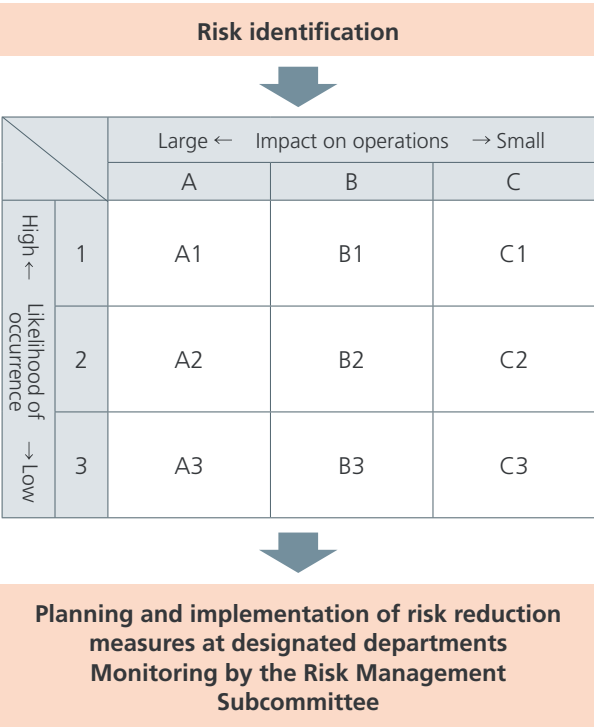
**Policy**

We aim to minimize losses and maximize profits and corporate value by identifying risks in overall company management.

**Specific Initiatives**

We list legal regulations and risks that affect business activities, and plan and implement compliance procedures for legal regulations and risk reduction measures. We visualize these risks in a nine-cell matrix based on the impact on operations and the likelihood of occurrence. We re-evaluate the appropriateness of compliance procedures and reduction measures annually, and formulate the plan for the next fiscal year based on the results of this evaluation as we work to manage risk.

We also add new legal regulations and risks to the list as needed, and we plan and implement compliance procedures and risk reduction measures accordingly.



**Business Continuity Plan and Business Continuity Management**

We formulate a Business Continuity Plan (BCP) and implement Business Continuity Management (BCM) in response to identified risks. Through these efforts, we ensure the safety of our employees, prevent damage to local communities, safeguard the quality of our products, ensure that we fulfill our responsibility to provide customers with stable supplies and minimize losses to our business operations. To this end, we have formulated a plan after clarifying our continuity policy, system, and execution procedures, and we are continually improving this plan.

< Examples of risks and countermeasures > \*The risk evaluation shows the location on the risk map.

	Risks	Risk reduction measures	Risk evaluation
<b>Distribution management</b> 	There is a possibility that we will become unable to use normal distribution routes or that our distribution lead times will be prolonged due to disruptions in the supply chain caused by natural disasters, pandemics, strikes, terrorism, or other problems. For example, transportation networks may be disrupted, or warehousing functions may be suspended.	We are taking proactive measures such as securing and maintaining alternative routes, in order to build systems that reduce impacts on materials procurement from suppliers and deliveries to customers.	A2
<b>Natural disasters</b> 	TAIYO YUDEN recognizes the possibility that natural disasters—including earthquakes, typhoons, and floods—as well as accidents may result in operational suspensions and/or significant damage to its production facilities.	By mainly carrying out the following three initiatives, and by asking our suppliers to do likewise, we are working to establish both stable supply systems and a BCP system that covers our entire supply chain. ■ Ensuring sufficient inventory to last until production lines recommence operations ■ Ensuring global distribution of production bases ■ Ensuring diversification of materials suppliers	B2



Compliance

Aim of Compliance Promotion

We are working on activities with the aim of ensuring compliance by extracting laws, regulations, and rules and appropriately understanding the compliance status.

Specific Initiatives

[To Deepen Understanding of the TAIYO YUDEN Group “CSR Code of Conduct”]

In order to deepen understanding of the CSR Code of Conduct, we have created a “CSR Code of Conduct Handbook” that expresses the code of conduct in a concise document with illustrations in 11 languages and distributed to all executives and employees. We conduct group training for all relevant employees at times such as when joining the company or being promoted, and conduct annual e-learning for all employees.

[Prevention of bribery]

The TAIYO YUDEN Group strives to prevent socially inappropriate or illegal entertainment and gifts, bribery, and facilitation payments. TAIYO YUDEN has established the “TAIYO YUDEN Group Regulations on Entertainment, Gifts, Anti-Bribery, and Conflicts of Interest” and takes action on the basis of laws in each country and region.

In particular, the following types of entertainment and gifts are considered a significant risk, as they can lead to compliance issues, and we take action accordingly:

- Entertainment and gifts to public officials
- Entertainment and gifts to customers (sales partners and agents)
- Entertainment and gifts from suppliers

In fiscal year 2024, no cases of administrative disposition or criminal punishment related to bribery were confirmed.

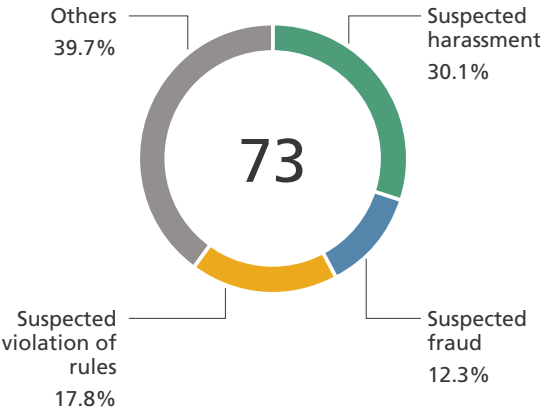
Internal Reporting System

The TAIYO YUDEN Group has introduced an internal reporting system with the aim of early detection and correction of acts that violate or may violate the “CSR Code of Conduct.”

We have established internal reception desks at TAIYO YUDEN and domestic and overseas affiliated companies, as well as external reception desks that can handle local languages and multiple languages. It is also possible to report or consult directly with the Audit and Supervisory Committee desk. We have established rules for managing matters that identify whistleblowers, prohibiting retaliation against whistleblowers, and prohibiting the search for whistleblowers, and we operate with full consideration for the protection of whistleblowers, while also allowing anonymous reports.

The internal reporting system is publicized through the company's internal website, posters displayed in the company, distribution of leaflets, and annual education for all employees. In fiscal year 2024, we received 73 reports through the TAIYO YUDEN Group common desk and individual subsidiary desks.

Number of whistleblowing cases in fiscal 2024



Tax Policy

The TAIYO YUDEN Group has established a tax policy aimed at ensuring the proper payment of taxes and reducing tax risks in each country and region.

The TAIYO YUDEN Group has set up a tax management division to grasp the tax return information of each Group company, establish rules for implementing tax policies, and obtain risk information. Group companies appoint a tax officer to communicate with the Head Office and address relevant issues. We will also establish a system for gathering information and receiving advice through a network of external experts to address complex tax problems and country-by-country tax regimes. The officer of the Management Planning Headquarters is responsible for tax governance. Critical tax issues are reported to the Board of Directors or an equivalent organization.

Tax Policy

<https://www.yuden.co.jp/en/sustainability/governance/taxpolicy/>

Information Security Policy

Basic Policy

TAIYO YUDEN Group has established a global information security management system and conducts activities under the Information Security Policy to maintain and improve information security.

Information Security Policy

<https://www.yuden.co.jp/en/security/>

Promotion Framework

We have established an Information Security Committee as a subordinate organization of the Sustainability Committee to deliberate on measures and strategies related to information security for maintaining and improving information security in our group.

In addition, the Information Systems Department leads the information security management for the entire Group, and information security managers and administrators assigned to each division and Group company promote information security activities in each organization.

In the event of a security incident, we establish a CSIRT as a security incident response team and build a system for reports to swiftly reach the Chairperson of the Information Security Committee.

Specific Initiatives

Our Group implements information security measures from organizational, human, physical, and technical perspectives.

<Organizational and Human Measures>

Our Group has established Group regulations related to information security and aims to improve information security literacy through internal education.

We conduct education at the time of joining the company, regular education for all employees, role-specific education, and training for responding to suspicious emails and incidents.

<Physical Measures>

Our Group designates areas that require high confidentiality, such as server rooms and production processes, and implements heightened security levels and entry/exit management.

<Technical Measures>

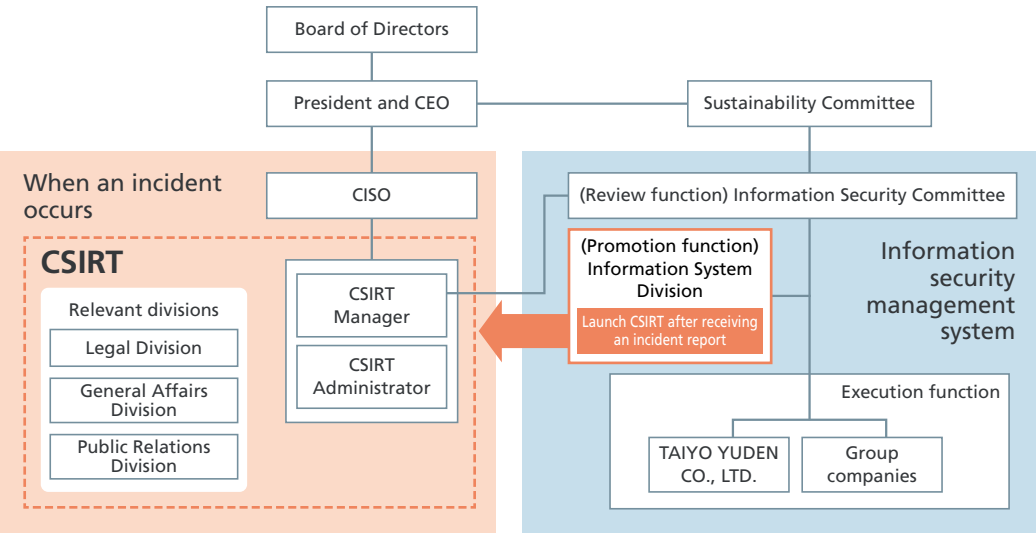
Our Group implements multi-layered defense against cyber attacks, including malware countermeasures, vulnerability countermeasures, and network security countermeasures, as well as confidential information protection measures through access rights management and encryption.

Information Security Certification

Since 2023, TAIYO YUDEN Group has been pursuing ISO27001 certification, an international standard for information security certification, for the following three purposes:

- Reduction of information security risks
- Improvement of operational efficiency through arrangement of work and procedures and establishment of rules
- Improvement of external reliability regarding information security

As of June 2025, the Head Office, the Takasaki Global Center, and TAIYO YUDEN (U.S.A.) obtained ISO27001 certification. We are also pursuing certification at other locations.



# Sustainability

### Fundamental Stance

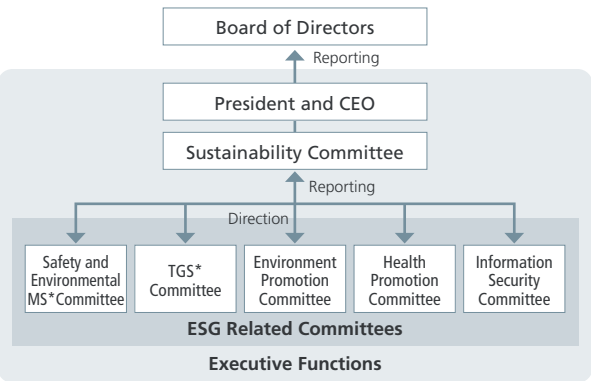
TAIYO YUDEN's mission is to become "stronger and more socially aware through the wonders of science." Our aim is to pursue sustainable growth for the Group, safe, secure, comfortable, and convenient lives for people, and realization of a sustainable society through our business by demonstrating creativity and innovation to revolutionize society. This stance is in line with the Task Force on Climate Related Financial Disclosures (TCFD) recommendations which

the TAIYO YUDEN Group supports, as well as the Sustainable Development Goals (SDGs) adopted at the United Nations.

In order to achieve this mission, we have identified our more important issues as materiality and are moving forward with initiatives based on specific measures and numerical targets laid out in the medium-term management plan 2025.

### Sustainability Promotion Structure

The Sustainability Committee is convoked quarterly to discuss solutions to sustainability issues, including materiality. We receive activity reports from ESG-related committees (Safety and Environmental MS, TGS, Environment Promotion, Health Promotion, and Information Security) and deliberate on them. These contents will be reported to the Board of Directors by the President and Chief Executive Officer, who is the Chairperson of the Sustainability Committee, and will be deliberated appropriately.



\* MS stands for the management system  
\* TGS stands for Taiyo Green Strategy, which is a meeting body to discuss matters concerning chemicals based on stakeholders' requirements

### Employee Awareness

Based on the belief that employee understanding is essential to resolving these issues, we regularly carry out awareness-raising activities on the concept of sustainability, the key issues we have identified as materiality, as well as social issues that we as

a corporate group should address. In addition to training new employees, we also offer e-learning programs and group training sessions for existing and temporary staff, and training for Corporate Officers, as well as publishing articles in the group magazine.

# E Environmental Activities



### Fundamental Stance on Environmental Activities

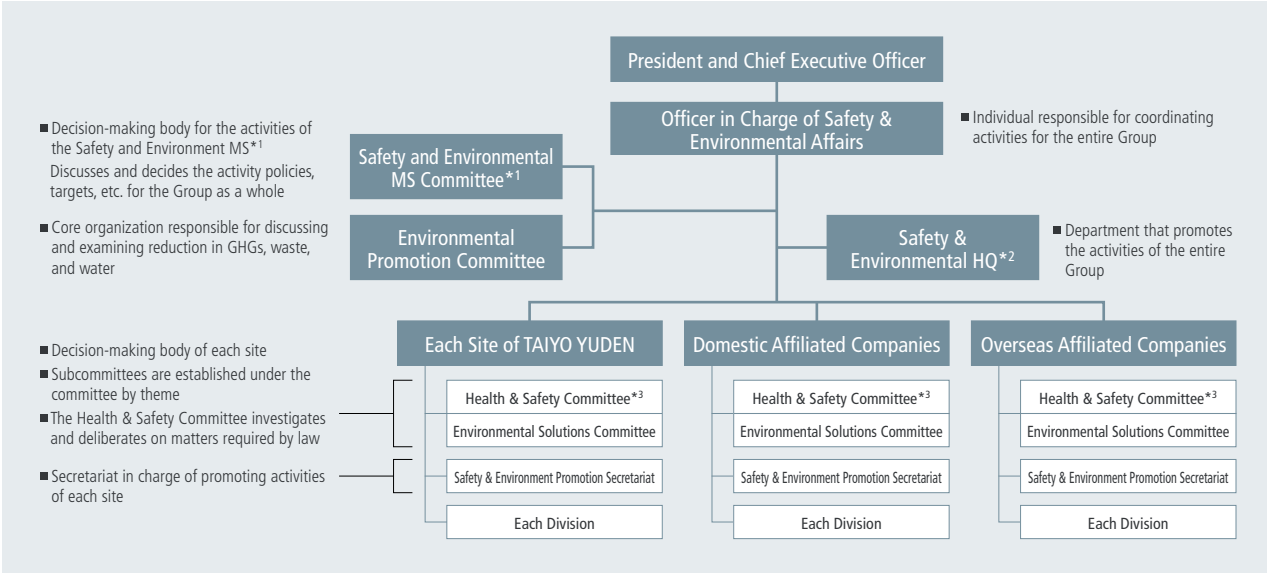
TAIYO YUDEN aims to be a corporate group that fulfills its corporate social responsibility and continues to develop in perpetuity. We recognize that tackling environmental issues represents one of the most important social responsibilities that the Group must uphold. As such, we are working to reduce our environmental impact from a global perspective

based on our Fundamental Principle of the Environment: "To hand over this precious Earth to the future generation, environmental burden in every business activity in research, development and design of the product, procurement of parts and materials manufacture, sales and associated services shall be reduced."

### Framework for Promoting Safety and Environmental Affairs

TAIYO YUDEN has established and operates a framework for promoting its Safety and Environmental Management system, the overall responsibility for which lies with the officer in charge of safety and environmental affairs appointed by the President and Chief Executive Officer. Safety and Environmental MS Committee, the Environment Promotion Committee

debate and decide policies and issues to be addressed. Each manager of sites then converts his/her decisions into actual plans matching the characteristics of each site, and takes charge of publicizing, enforcing and promoting these concrete targets.



\*1 MS stands for the management system.  
\*2 HQ stands for Headquarters.  
\*3 The Health and Safety Committee elects company and worker representatives.

ESG / Environmental Activities

Medium-Term Environmental Targets

TAIYO YUDEN set “strengthening responses to climate change” and “efficiently using resources and helping to build a recycling-based society” as materiality (key issues) related to environmental efforts. To respond especially to climate change, which is a global issue, the targets have been set with the aim of achieving carbon neutrality. To achieve these targets,

we will be diligent at saving, generating, and reusing the energy that drives our manufacturing based on the principle of decarbonization.

**Achievement Levels for Medium-Term Environmental Targets**  
<https://www.yuden.co.jp/en/sustainability/environment/materiality/>

Environmental Impact of Corporate Activities

TAIYO YUDEN primarily produces electronic components for delivery to our customers, set manufacturers. These electronic components have a life cycle with only a small environmental impact during use, with the bulk arising during production. The main environmental impact that arises during production includes energy and water consumption, emissions (including CO<sub>2</sub>) in the course of manufacture, waste and wastewater.

TAIYO YUDEN is striving to improve our environmental impact by first identifying and analyzing in detail this environmental impact and then taking such measures as minimizing the resources applied and conserving other energy and resources by improving production processes. TAIYO YUDEN products are used in electrical and electronic equipment, automobiles, and other products which become waste once their product lifetime is over. Therefore, we are also striving to remove hazardous substances from these products.

Efforts to Address Climate Change

TAIYO YUDEN aims to contribute to the achievement of the international environmental goals set forth in the SDGs and the Paris Agreement. We also recognize the importance of climate-related financial disclosure, endorse the TCFD recommendations, and are working to disclose related information.

Efforts to Address TCFD

As the impact of climate change on society, such as frequent storms and floods, is increasing, the role of companies in achieving a decarbonized society is becoming more important. We consider that strengthening the measures to respond to climate change is one of the most important business challenges.

TAIYO YUDEN promotes manufacturing based on the decarbonization concept, with the aim of achieving carbon neutrality to tackle the global issue of climate change. As a part of this, we are thoroughly implementing efforts in the areas of energy saving, energy creation, and the utilization of renewable energy. We have established our target for reducing the absolute amount of GHG emissions in line with Science Based Targets (SBT)\* and obtained Near-Term Target accreditation from SBTi in FY2024. We aim to contribute to the achievement of international goals, and through collaboration with a wide range of stakeholders, we will work to reduce emissions and enhance information disclosure in accordance with the TCFD recommendations.

\* SBT refers to setting targets based on scientific evidence. It indicates greenhouse gas emission reduction targets set by a company for a period of five to ten years into the future to align with the levels sought by the Paris Agreement stipulated in 2015.

Governance

The TAIYO YUDEN Group considers climate change to be one of the most important business challenges. In April 2021, we established the Sustainability Committee with the aim of promoting company-wide efforts on sustainability issues through business activities.

The Sustainability Committee, chaired by our President and Chief Executive Officer, meets four times a year. The committee sets key issues as materiality, shares issues, and deliberates measures to resolve them, reporting to the Board of Directors. There are directors who have expertise and experience in ESG and sustainability on the Board of Directors. In addition, the Environmental Promotion Committee, a sub-committee of this Sustainability Committee, monitors steps taken against quantitative targets for climate change and the status of their achievement. If achieving the targets prove difficult, the Environmental Promotion Committee will request that additional measures be put in place and issue a directive for corrective action.

Strategy

(1) Identification of risks and opportunities

TAIYO YUDEN used climate scenarios such as the IEA and the IPCC to identify climate-related risks and opportunities that affect our business, qualitatively evaluated their characteristics. Moving forward, we will analyze these risks and opportunities we have identified.

Division	Assumed event	Climate-related risks and opportunities	Degree of financial impact (Profit basis)
Transition risks	Introducing and raising carbon prices	Increasing of operation costs due to introducing of carbon prices	Major
	Strengthening environment-related regulations	Increasing of costs for measures due to strengthening of GHG emission reduction targets and energy efficiency improvement targets	Medium
		Increasing of costs due to compliance with domestic and overseas environmental regulations	Medium
Physical risks	(Acute) Intensifying extreme wind and flood damages	Intensified wind and flood damages to sites	Minor - Medium
	(Chronic) Long-term change in weather patterns	Suspension of production due to water shortages caused by drought and a decline in productivity due to heat waves	Minor - Medium

Division	Assumed event	Climate-related risks and opportunities	Degree of financial impact (Profit basis)
Opportunities	Acceleration of xEVs shift	Increasing in sales of electronic components for the electric vehicle market due to the global shift to xEVs	Major
	Increased demand for high-efficiency products	Increased sales of electronic components for the industrial equipment market due to increased demand for power supplies with energy management functions to reduce GHG emissions	Major
	Increased production efficiency	Secure profits by promoting low-carbon production activities including the development of energy-saving measures and the introduction of renewable energy	Major
	Promotion of climate change-related measures	Enhance customer trust by advancing climate change-related measures	—

Degree of financial impact: Minor=JPY 1.5 billion or less; Medium=JPY 1.5 to 6 billion; Major=JPY 6 billion or more



ESG / Environmental Activities

(2) Setting the scenario analysis theme

TAIYO YUDEN carried out a scenario analysis on the following themes evaluated as “highly important risks and opportunities” based on the degree of impact on our business, the relevance to our business strategies, and the degree of stakeholder interest.

Transition risks

Target business / Analysis theme

Common to all businesses	Financial impact of introducing carbon prices on operating costs
--------------------------	--

External information referred to in the analysis

	1.5°C scenario	4°C scenario
Key reference scenarios*1	NZE (Net Zero Emissions by 2050 Scenario)	STEPS (Stated Policies Scenario)
View of the world	<div>■ A world where CO<sub>2</sub> emissions by the global energy sector reach net zero by 2050 and the advanced countries achieve zero emissions ahead of other countries. A world where global temperature rise is limited to 1.5°C with a probability of 50% or greater in accordance with the emissions reduction target specified in the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC).</div> <div>■ As each country shifts to renewable energy, prices of fossil resources tend to decrease.</div>	<div>■ A world where the policies and implementation measures that affect the energy market adopted by the countries as of August 2024, and the related policy proposals are partially implemented. A world where the policies that are highly feasible are implemented without assuming the achievement of the targets set by the government of the countries and the energy transition progresses conservatively.</div> <div>■ As each country depends on fossil resources, prices of fossil resources tends to rise.</div>

\*1 The analysis is based on the scenarios published in the World Energy Outlook 2024, the annual report by the IEA (International Energy Agency).

Physical risks

Target business / Analysis theme

Common to all businesses	Impact of intensified extreme weather disasters on sites
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This data covers the 17 sites in Japan and 7 sites outside Japan. We assessed physical impacts at the baseline (current), and at the middle and end of this century.

External information referred to in the analysis

Information provider	Reference
Ministry of Land, Infrastructure, Transport and Tourism	The Geospatial Information Authority of Japan “Web-Based Flood Simulation Search System at an Arbitrary Point (Flood Navigation System),” “Hazard Map Portal Site” Flood hazard map, Guidance on the Physical Risk Assessment Based on the TCFD Recommendations (March 2023)
Fathom	Global Flood Map
WRI (World Resources Institute)	Aqueduct Water Risk Atlas V4
IPCC (Intergovernmental Panel on Climate Change)*2,3	AR6 Climate Change 2021: The Physical Science Basis, Working Group 1 Interactive Atlas
Others	Yukiko Hirabayashi et al. (2013). Global flood risk under climate change. Nature Climate Change, 3(9), 816-821. Cui, D., Liang, S., Wang, D., and Liu, Z.: A 1 km global dataset of historical (1979–2013) and future (2020–2100) Köppen–Geiger climate classification and bioclimatic variables, Earth Syst. Sci. Data, 13, 5087–5114, <a href="https://doi.org/10.5194/essd-13-5087-2021">https://doi.org/10.5194/essd-13-5087-2021</a> , 2021.

\*2 We assessed physical impacts based on the climate scenarios SSP1-2.6 and SSP5-8.5 used in the IPCC AR6.

\*3 The SSP1-2.6 and SSP5-8.5 scenarios correspond to the RCP2.6 and RCP8.5 climate scenarios used in AR5.

Opportunities

Target business / Analysis theme

Electronic components business	Impact of the global shift to xEVs on sales of electronic components for the automotive market
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Major pieces of external information referred to in the analysis

Information provider	Reference
IEA	IEA World Energy Outlook 2023, IEA Global EV Outlook 2023, IEA Global EV Data Explorer (Last updated 23 Apr 2024)



(3) Scenario analysis results

Transition risks: Financial impact of introducing carbon prices on operating costs

Risk	Impact of carbon prices on operating costs in 2030 and 2050																																
Our climate scenario analysis prerequisites	Assuming that a carbon price of 19,600 yen will be imposed on each ton of GHG emissions in 2030 and 35,100 yen in 2050, we forecast the effects on carbon prices. Carbon prices are set based on IEA World Energy Outlook 2024 (Net Zero Emissions by 2050 Scenario, Stated Policies Scenario).																																
Analysis result	<p>We forecast future GHG emissions trends and the financial impact on operating costs if carbon prices were introduced. Under the 1.5°C scenario, if GHG emissions reduction measures were implemented, costs would have been reduced by about 400 million yen as of 2030 and by 3.3 billion yen as of 2050 compared with the scenario where no measures are taken (see G1). In addition, although we are promoting the introduction of renewable energy, even if electricity is sourced 100% from renewable energy, the remaining Scope1 emissions in the 1.5°C scenario will be 100,000 t-CO<sub>2</sub>e (see G2), and the impact of the carbon price will be about 3.3 billion yen.</p> <div><div><p><b>G1: Carbon Price Effect</b></p><table><caption>G1: Carbon Price Effect (million yen)</caption><tr><th>Scenario</th><th>FY</th><th>2030</th><th>2050</th></tr><tr><td>4°C scenario</td><td>~3,800</td><td>~4,500</td><td>~4,500</td></tr><tr><td>1.5°C scenario</td><td>~4,800</td><td>~4,500</td><td>~3,300</td></tr><tr><td>1.5°C scenario (after emission reduction measures)</td><td>~4,500</td><td>~4,500</td><td>~3,300</td></tr></table></div><div><p><b>G2: GHG Emissions Trends</b></p><table><caption>G2: GHG Emissions Trends (×10<sup>3</sup>(t-CO<sub>2</sub>e))</caption><tr><th>Scenario</th><th>FY</th><th>2030</th><th>2050</th></tr><tr><td>4°C scenario</td><td>~800</td><td>~400</td><td>~700</td></tr><tr><td>1.5°C scenario</td><td>~400</td><td>~300</td><td>~100</td></tr><tr><td>1.5°C scenario (after emission reduction measures)</td><td>~300</td><td>~300</td><td>~100</td></tr></table></div></div>	Scenario	FY	2030	2050	4°C scenario	~3,800	~4,500	~4,500	1.5°C scenario	~4,800	~4,500	~3,300	1.5°C scenario (after emission reduction measures)	~4,500	~4,500	~3,300	Scenario	FY	2030	2050	4°C scenario	~800	~400	~700	1.5°C scenario	~400	~300	~100	1.5°C scenario (after emission reduction measures)	~300	~300	~100
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1.5°C scenario	~400	~300	~100																														
1.5°C scenario (after emission reduction measures)	~300	~300	~100																														
Strategy	In order to reduce energy consumption, we are improving production efficiency by reviewing our production processes, focusing on our core products, while also promoting renewable energy adoption. In addition, we will explore measures to reduce the remaining Scope1 emissions toward the achievement of carbon neutrality.																																

Physical risks: Impact of intensified extreme weather disasters on sites (Floods and Storm Surges)

Risk	Impact of increased weather disasters associated with climate change on our manufacturing sites at the middle and end of this century																																																								
Our climate scenario analysis prerequisites	We assessed 24 sites inside and outside Japan based on public hazard information and various information obtained for climate change impact assessment.																																																								
Analysis result	<p>We assessed the potential for manufacturing site damage due to intensifying extreme floods and storm surges, and screened sites that require priority investigation of the impact of physical risks. We independently graded baseline (current) flood and storm surge risks and assessed the changes in the current to mid-century or end of-century grades based on the RCP2.6 and RCP8.5 climate scenarios.</p> <p>Regarding floods, there is one site in Japan that seemed to be at high risk at present, but there was no change in the grade in the future. On the other hand, there are no overseas sites that are currently considered to be at high risk, and there is no change in the grade in the future. As for storm surges, there are no domestic and overseas sites that are currently considered to be at high risk and there is no change in the grade in the future.</p> <table><tr><th rowspan="3">Flood risk</th><th colspan="5">Number of Sites Rated as Major Hazard (Grade A)</th></tr><tr><th colspan="2">2005</th><th colspan="2">2050</th><th>2085</th></tr><tr><th>—</th><th>RCP2.6</th><th>RCP8.5</th><th>RCP2.6</th><th>RCP8.5</th></tr><tr><td>Japan (17 sites)</td><td>1 site</td><td>1 site</td><td>1 site</td><td>1 site</td><td>1 site</td></tr><tr><td>Outside Japan (7 sites)</td><td>0 site</td><td>0 site</td><td>0 site</td><td>0 site</td><td>0 site</td></tr></table> <table><tr><th rowspan="3">Storm Surges risk</th><th colspan="5">Number of Sites Rated as Major Hazard (Grade A)</th></tr><tr><th colspan="2">2010</th><th colspan="2">2050</th><th>2090</th></tr><tr><th>—</th><th>RCP2.6</th><th>RCP8.5</th><th>RCP2.6</th><th>RCP8.5</th></tr><tr><td>Japan (17 sites)</td><td>0 site</td><td>0 site</td><td>0 site</td><td>0 site</td><td>0 site</td></tr><tr><td>Outside Japan (7 sites)</td><td>0 site</td><td>0 site</td><td>0 site</td><td>0 site</td><td>0 site</td></tr></table>	Flood risk	Number of Sites Rated as Major Hazard (Grade A)					2005		2050		2085	—	RCP2.6	RCP8.5	RCP2.6	RCP8.5	Japan (17 sites)	1 site	1 site	1 site	1 site	1 site	Outside Japan (7 sites)	0 site	0 site	0 site	0 site	0 site	Storm Surges risk	Number of Sites Rated as Major Hazard (Grade A)					2010		2050		2090	—	RCP2.6	RCP8.5	RCP2.6	RCP8.5	Japan (17 sites)	0 site	0 site	0 site	0 site	0 site	Outside Japan (7 sites)	0 site	0 site	0 site	0 site	0 site
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Strategy	In the future, we will investigate in detail the sites that have been assessed as being at high risk based on the results of this analysis and take preventive measures such as installing equipment to minimize flooding on site and ensuring the installation height of the power supply system if deemed necessary. In addition, we will establish a stable product supply system based on our Business Continuity Plan (BCP), which will enable us to resume business activities as soon as possible in the event of a business continuity problem such as a shutdown.																																																								

Risk Management

Regarding climate-related risks, TAIYO YUDEN assigns Executive Operating Officer who is a responsible director of safety and environment, reports and deliberates these issues at the Internal Control Committee through the Compliance Subcommittee and the Risk Management Subcommittee in accordance with the group management system. We refer to

the social situation analysis, interviews with customers and suppliers, and ESG-related engagement process with investors as tools to identify risks and opportunities related to climate change. The impact of these risks has been assessed in relation to their financial impact and management strategy.

Indicators and Targets

GHG emissions

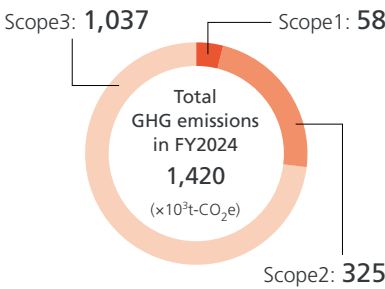
TAIYO YUDEN has set the target of reducing GHG emissions through its business activities by 42% by FY2030 compared to FY2020, which is consistent with the 1.5°C scenario, to contribute to the global initiatives to limit the temperature rise to 1.5°C. In order to achieve this target, we are steadily promoting the efforts to reduce GHG emissions through measures to improve production efficiency and to use renewable

energy as well as to smoothly move forward with our plan by introducing energy-saving measures and photovoltaic facilities. We plan to use electricity generated from 100% renewable energy at the two domestic sites in FY2024 and expand the number of sites with 100% renewable energy going forward to further reduce our GHG emissions.

Target and Result regarding GHG emissions

	FY2020 Achievement	FY2024 Achievement	FY2030 Targets
GHG emissions* (10³t-CO₂e)	484 (Reference year)	383 (Compared to FY2020 (20.9)%)	281 (Compared to FY2020 (42)%)

\*Scope1+Scope2

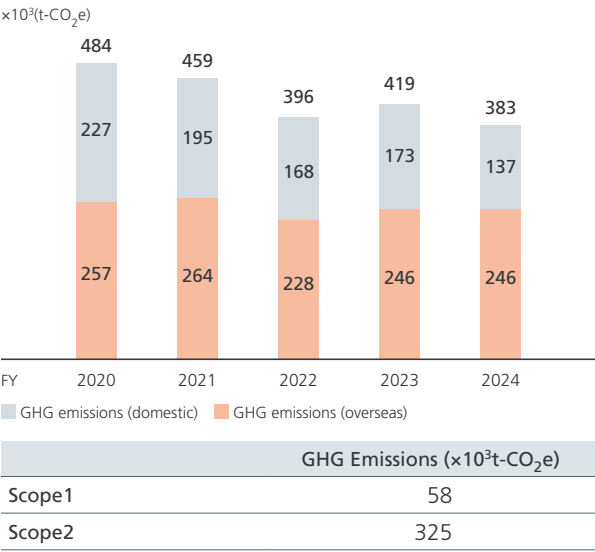


Results of Efforts to Reduce Greenhouse Gases and Energy Consumption

In FY2024, the GHG emissions by the entire group decreased by 36,000 t-CO₂e compared to FY2023. Specifically, emissions by the sites in Japan decreased from 173,000 t-CO₂e in FY2023 to 137,000 t-CO₂e, and emissions by the overseas sites remained at 246,000 t-CO₂e, the same as in FY2023. The crude oil equivalent for the amount of energy used by the entire group was 273,000 kL.

We will continue to review production processes, with a focus on core products, to further improve production efficiency and reduce energy use. Furthermore, we have been promoting the incorporation of renewable energy in our efforts to combat global warming. The renewable energy used in FY2024 was 270,662 MWh.

G1: GHG Emissions (calculated from total energy consumption)



Efforts on Indirect Emissions Other than from Energy Use (Scope3)

In recent years, there has been an increasing demand from our stakeholders to disclose information on Scope3 emissions, in addition to information on Scope1 and Scope2 emissions. In order to respond to such a demand, we are striving to keep track of our Scope3 emissions. To reduce Scope 3 emissions, we are engaging with our suppliers.

(unit: x10³t-CO₂e)			(unit: x10³t-CO₂e)		
category1	Purchased goods and services	683	category9	Transportation and delivery (downstream)	2
category2	Capital goods	158	category10	Processing of sold products	7
category3	Fuel- and energy-related activities (not included in Scope1 or Scope2)	102	category11	Use of sold products	Not applicable
category4	Upstream transportation and distribution	49	category12	End-of-life treatment of sold products	0.1
category5	Waste generated in operations	13	category13	Leased assets (downstream)	Not applicable
category6	Business travel	4	category14	Franchise	Not applicable
category7	Employee commuting	19	category15	Investments	Not applicable
category8	Upstream leased assets	0 (Included in Scope2)	Total		1,037

Use of Renewable Energy

Efforts to energy creation

The TAIYO YUDEN Group has been installing solar panels as part of our efforts to combat global warming. After establishing the group's first power-generating site, Hongo Photovoltaic Power Plant in FY2013, others have been built as well, and there are currently 13 power-generating sites in Japan and overseas. We installed solar panels at 3 sites in FY2024.



TAIYO YUDEN CHEMICAL TECHNOLOGY



TAIYO YUDEN (CHANGZHOU)



TAIYO YUDEN (SARAWAK)

Efforts to utilize renewable energy

In FY2024, we switched all electricity used at the R&D Center and the Head Office of Sun Vertex, our subsidiary, to renewable energy. By FY2025, we plan to switch to renewable energy for all electricity used at the Takasaki Global Center.



R&D Center



Sun Vertex

ESG / Environmental Activities

GHG Emissions

TAIYO YUDEN supports TCFD, is advancing the related information disclosure, and is making efforts to reduce GHG emissions. In recognition of these efforts, we were selected as a CDP’s “Climate Change A List” Company and Supplier Engagement Leader for the third consecutive year in FY2024.

Initiatives in FY2024

Obtained ZEB Ready certification for a new plant

To reinforce its technological capabilities in multilayer ceramic capacitors (MLCCs), TAIYO YUDEN newly constructed a fifth building at the Tamamura Plant. This plant is the site for MLCC development and mass-production, and we have obtained environmentally friendly ZEB Ready certification for the new building. Going forward, we will contribute to evolving the field of electronics and development in society by developing high-performance electronic components.



Tamamura Plant Building No. 5  
(Tamamura-machi, Sawa-gun, Gunma)

Selected as CDP’s “Climate Change A List” Company and Supplier Engagement Leader for third consecutive year

TAIYO YUDEN was selected as an A List Company, the highest rating in the climate change category, for the third consecutive year in recognition of our efforts to combat climate change. This list is compiled by the international environmental non-profit organization CDP\* from among approximately 22,700 companies it evaluates. We have also retained our rating as a Supplier Engagement Leader in recognition of our engagement efforts in the supply chain.

TAIYO YUDEN aims to achieve carbon neutrality and has established the strengthening of measures to address climate change as one of the materiality items. In addition, we endorse the TCFD recommendations, identify risks and opportunities related to climate change, and develop strategies based on scenario analysis, including financial impact. We will continue to promote activities to reduce GHG and energy consumption, focusing on the thorough implementation of measures in the areas of energy conservation, energy creation, and utilization of renewable energy.



\* CDP is a non-governmental organization (NGO) managed by a British charitable organization, established in 2000. It operates a global information disclosure system for investors, companies, countries, regions, and cities to manage environmental impacts including reducing their own greenhouse gas emissions, protecting water resources, and protecting forests

Initiatives in FY2025

TAIYO YUDEN obtained SBTi\* certification that its target for reducing the amount of GHG emissions by FY2030 has scientific grounding. Based on the medium-term management plan 2025, we will promote the switch to renewable energy and the execution of energy-saving measures, while continuing to aim to enhance our corporate value and contribute to society through our response to climate change.



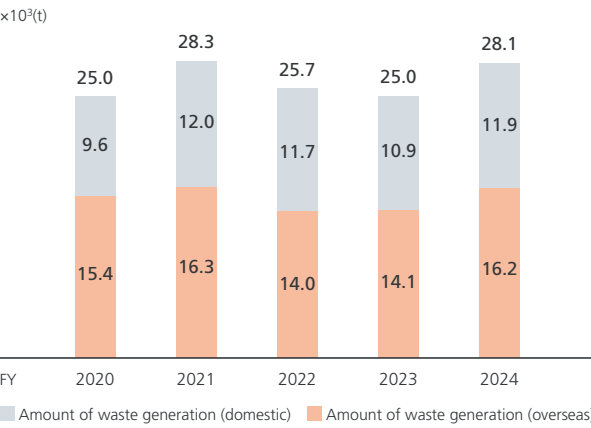
\* SBTi (Science Based Targets initiative): The SBTi is a joint initiative by WWF, CDP, the World Resources Institute (WRI), and the UN Global Compact (UNGC). It supports and certifies companies in setting science-based targets (SBTs) that align with scientific knowledge on how much and by when they need to reduce greenhouse gas emissions.

Efficiently Using Resources and Helping to Build a Recycling-Based Society

Waste Management Initiatives

The amount of waste generated in FY2024 by the entire group increased to 28,100 tons from 25,000 tons in FY2023. The waste, which includes valuables, mainly consists of waste plastic, waste oil, and sludge. TAIYO YUDEN will continue working to reduce waste volumes, boost in-house recycling rates, and strengthen efforts to recycle waste into resources at our overseas sites.

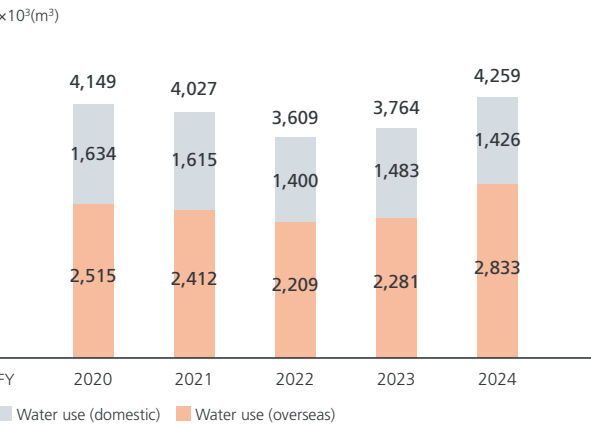
Amount of Waste Generation



Water Resource Initiatives

The amount of water used by the entire group increased from 3,764,000 m³ in FY2023 to 4,259,000 m³ in FY2024. Specifically, the amount of water used by the sites in Japan decreased to 1,426,000 m³ from 1,483,000 m³ in FY2023, while the amount of water used by the overseas sites increased to 2,833,000 m³ from 2,281,000 m³ in FY2023. The quantity of water withdrawals was 3,918,000 m³ from municipal water supplies (or other water supply facilities), and 341,000 m³ from freshwater and underground water. The quantity of water recycled was 648,000 m³.

Water Use



Quantity of water withdrawals (×10³m³)	
Municipal water supply (or other water supply facilities)	3,918
Freshwater/ underground water	341

Examples of Initiatives in FY2024

Reduction of wastewater by changing the production method [Tamamura Plant/TAIYO YUDEN (SARAWAK)]

In some parts of the production process of electronic components, solvents are used to clean the production equipment, and the solvents are properly treated as wastewater after being used for cleaning. By reviewing the production method and decreasing the amount of solvents used for cleaning, the amount of wastewater generated was reduced. We reduced waste liquid by 140 tons per year.

Water conservation by wastewater recycling [NIIGATA TAIYO YUDEN]

In the process where electronic components are plated, water is used in a variety of processes. Water use was reduced by collecting and treating water generated from some parts of the production process and reusing it for infrastructure equipment. The amount of water used was reduced by 64,332 tons per year.



ESG / Environmental Activities

Interview with the Officer in charge of Safety & Environmental Affairs

We continue to take on challenges to balance environmental considerations with business growth

Shunji Murai

Executive Operating Officer  
in charge of 1st Business Headquarters



Passing on This Precious Earth to the Future Generations

TAIYO YUDEN is accelerating environmental initiatives throughout the Group under the medium-term management plan 2025 that aims for greater corporate value through both economic value and social value. To hand over this precious Earth to future generations, environmental burden in every business activity in research, development and design of products, procurement of parts and materials manufacture, sales and associated services shall be reduced. We consider this not just as a slogan, but as a challenge that relates to our very reason for existence as a company. In our environmental initiatives, we are particularly focused on reducing greenhouse gas (GHG) emissions and promoting a circular economy.

Accelerating GHG Emission Reductions

In FY2024, our GHG emission reduction was 20.9%, significantly exceeding the target of a 16.8% reduction compared to FY2020.

For example, in our energy-saving measures, we have obtained ZEB Ready certification for a newly constructed building within our Tamamura Plant that manufactures multi-layer ceramic capacitors (MLCCs). We are achieving significant energy savings at this location through advanced architectural design and by introducing highly efficient infrastructural equipment. The design philosophy of this new plant is being rolled out to existing plants within the Group, leading to improvements through revisions from a new perspective.

Furthermore, the introduction of renewable energy is also progressing steadily. In FY2024, we started solar power generation at three new sites, and power is now generated at 13 sites throughout the Group. At the R&D Center, we have also installed power storage facilities, enabling us to achieve 100% renewable energy use by maximizing electricity generated on-site and fully transitioning to renewable sources. In FY2025, we plan to start solar power generation at the Takasaki Global Center as well, further promoting the use of renewable energy at our domestic sites.

Practicing a Circular Economy through PET Film Recycling Technology

In relation to a circular economy, we are working to conserve water resources and reduce waste. One initiative to this end is the chemical recycling of PET film discharged during the MLCC manufacturing process. In collaboration with a domestic company, we plan to introduce an initiative on a gradual basis starting in FY2026 to chemically recycle this material into high-purity monomers by removing additives and other impurities. Until now, PET film has been difficult to recycle because of the difficulty in removing additives and other impurities. However, chemical recycling allows for it to be widely used in various PET products, including PET film. We expect that we will advance the practice of a circular economy by enabling the recycling of PET film, as this accounts for a large portion of our waste.

Challenges for the Future

These initiatives are not merely environmental measures; they are directly linked to enhancing our corporate value and building a sustainable society. TAIYO YUDEN has set a GHG reduction target aligned with the SBT 1.5°C target, and also obtained Near-Term Target certification in March 2025. With the 2030 deadline for achieving our GHG emission reduction target in mind, we will continue to promote environmental measures that are integrated with our business activities while maintaining the same pace, and we will strengthen our use of renewable energy, including the introduction of off-site power purchase agreements (PPAs\*). With the belief that “Responsibility for the environment is a promise to the future,” we will continue to move forward toward a sustainable future.

\*A system for purchasing renewable energy from a renewable energy power plant located off-site from the company's own premises

S Social Activities



TAIYO YUDEN has designated the most important social issues as “materiality”—or “key issues”—and endeavors to contribute to the realization of sustainable social infrastructure.

Human Rights

Human Rights and Labor Policy

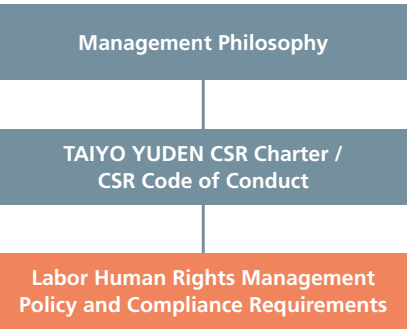
To become a company trusted by society, TAIYO YUDEN supports and respects all laws and regulations concerning labor and human rights, as well as international norms such as the UN Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the RBA\* Code of Conduct. In addition to establishing the TAIYO YUDEN Group CSR Charter and Code of Conduct, we have developed and currently operate a labor and human rights management system to ensure respect for human rights and the execution of proper labor practices. In accordance with our Labor Human Rights Management Policy and Compliance Requirements, we strive to achieve continuous improvements at each site through the PDCA cycle.

Furthermore, we have established and monitor procedures at all sites with greater specificity, such as the detailed Group Labor Rights Management Manual and the Management Standards for Limiting Working Hours to 60 Hours Per Week and Limiting Working Hours to 6 Consecutive Days.

\*Responsible Business Alliance

As part of our risk assessment for human rights, labor, and other areas, we periodically conduct self-assessments on labor and human rights based on the RBA Code of Conduct, and carry out improvements and corrective actions based on feedback.

Human Rights and Labor  
<https://www.yuden.co.jp/en/sustainability/society/laborrightrts/>



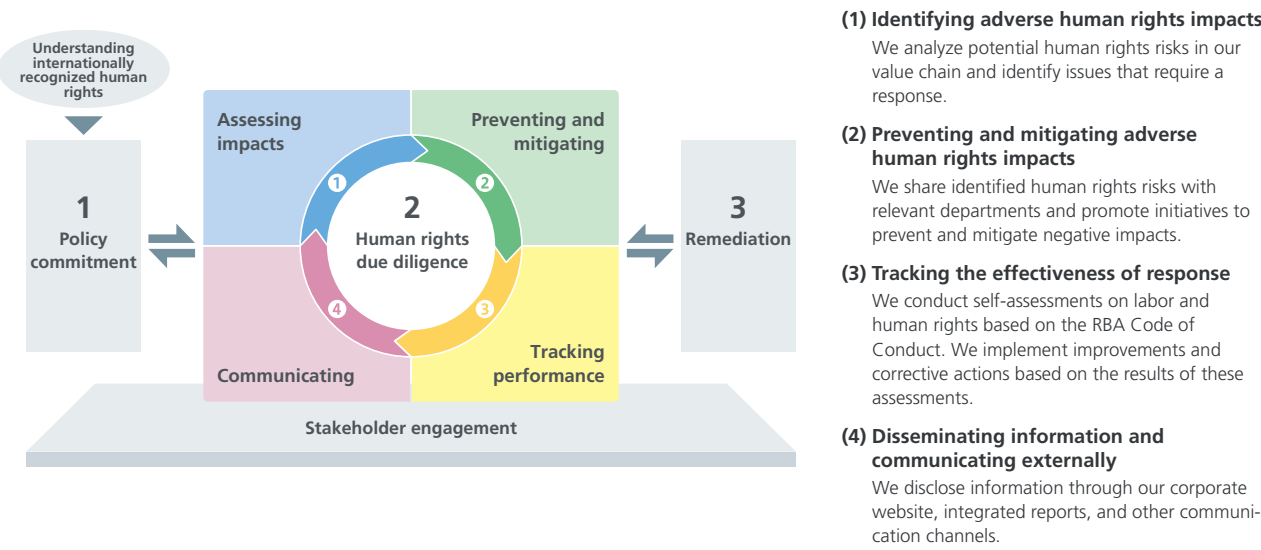
Example Initiatives in FY2024

- We conducted internal audits based on the RBA's labor and labor management systems at our sites in Japan and overseas. Any identified non-conformities were rectified based on corrective action plans.

ESG / Social Activities

Human Rights Due Diligence

TAIYO YUDEN is engaged in developing human rights policy, conducting human rights due diligence (Identification of adverse effects on human rights, prevention and mitigation of adverse effects on human rights, follow-up of effectiveness of response, dissemination of information and communicating externally), and establishing a grievance mechanism.



Materials Procurement Activities

With a basic policy on the procurement of materials, TAIYO YUDEN promotes CSR procurement activities across its entire supply chain, including suppliers of technologies, services, and products such as parts, materials, and machinery procured by the Group.

We begin business with new suppliers after they have submitted a document indicating their agreement with the TAIYO YUDEN Group CSR Procurement Guidelines that stipulate compliance items regarding human rights and labor, the environment, health and safety, fair trade and ethics,

management systems, and so on. In addition, we evaluate new major suppliers at the start of business and existing major suppliers on a regular basis using a CSR Self-Check Sheet\*. We only conduct business with suppliers who meet our standards. We conduct regular CSR audits for suppliers who receive a low evaluation and are thus deemed high-risk. If non-conformities are discovered, we require the supplier in question to submit a corrective action plan and a completion report.

\*The CSR Self-Check Sheet is based on the RBA Code of Conduct. It includes checklist items for areas such as human rights and labor, the environment, health and safety, fair trade and ethics, and management systems.

Result of agreements with “CSR Procurement Guidelines”



CSR Procurement Self-Assessment



Health and Safety

Based on its Fundamental Principle of Safety and Health, the TAIYO YUDEN Group conducts health and safety activities to pursue a workplace where employees can work with peace of mind. In our medium-term management plan 2025, we have included indicators related to a safe and secure workplace among our social value KPIs. To achieve our medium-term targets, we have established a Group-wide medium-term occupational health and safety plan and are promoting initiatives from the perspective of the 5Ms (Man, Machine, Method, Material, and Measurement).

In FY2024, the incidence rate of injuries and illness was 0.027, and the accident frequency rate was 0.13.

# Medium-Term Occupational Health and Safety Targets

Results and Targets		5Ms for Medium-Term Targets	
Incidence rate of injuries and illness	Accident frequency rate		
		Man	Intensive basic training and fostering "Awareness of safe behavior"
		Machine	Enhancing the level of facility safety design for designers
		Method	Safe work without inconsistencies
FY2025 Targets		Material	Minimization of toxicity and danger of chemical substances
Less than 0.016	Less than 0.08	Measurement	Strengthening of checking system
FY2024 Results			
0.027	0.13		

\*The average accident frequency rate for the domestic manufacturing industry was 1.30, and the average for the electrical machinery industry was 0.67 (in FY2024).

VOICE

Achieving Top-Class Safety Standards Through a Two-Pronged Approach of Continuous Safety Activities and Short-Term Intensive Measures

The TAIYO YUDEN Group integrates comprehensive initiatives based on its occupational health and safety management plan with priority measures for health and safety focused on addressing the most recent issues. A distinctive measure in the medium-term occupational health and safety plan is the Health and Safety Awareness Survey. By conducting an annual safety survey for employees at our domestic and overseas sites, we visualize and ascertain employee safety awareness. At the same time, we identify issues from the survey results and implement countermeasures to improve each employee’s safety awareness and foster a workplace safety culture. The accident frequency rate at the TAIYO YUDEN Group is approximately one-tenth of the average within the domestic manufacturing industry, and we believe that continuing with these steady accident prevention activities has led to our top-class safety standards.

In our priority measures for health and safety, we analyze work-related accidents each fiscal year and implement swift, intensive countermeasures to further strengthen efforts for building a safe workplace. Recently, we set falls during movement as a priority theme and have been promoting thorough measures against fall risks. In FY2024, our specialized health and safety staff confirmed the effectiveness of efforts in the reviews of fall risks and additional measures implemented at all sites, including those overseas, while also providing guidance for improvement from a professional perspective.

We will continue to create an even safer workplace with the aim of eliminating work-related accidents.



Yuto Yamato  
General Affairs Department

Social Contribution

Our corporate approach is to coexist harmoniously with the local communities. We contribute to communities, such as holding and participating in volunteer activities and charity events, interacting with communities and providing factory tours.

Example Initiatives in FY2024

■ Holding Science Classes	Refer to this page for information on other initiatives.
At each site of the TAIYO YUDEN Group, we hold science classes for elementary school students to help them learn the fun of manufacturing.	Social Contribution
	<a href="https://www.yuden.co.jp/en/sustainability/society/contribution/">https://www.yuden.co.jp/en/sustainability/society/contribution/</a>



Interview with the Officer in Charge of Human Resources

## We aim to improve productivity and corporate value through human resource development

Satoshi Yamazaki

Operating Officer  
in charge of Human Resources and General Affairs



Striving for Higher-Quality Human Capital Investment

What TAIYO YUDEN aims for is not just technological innovation or improved business performance. We want to be a company where people grow. When people grow, the organization becomes stronger, and corporate value increases. Based on this belief, we have continued to invest in human capital and have expanded our training programs for a wide range of employees with the goal of raising skill levels across the board. Having achieved considerable success through this broad investment, we are now shifting to the next step: focused investment, and promoting training that focuses on contributions to business performance. The more fundamental the education, the longer it tends to take for the effects to become apparent. As such, we cannot say for certain at present that this investment is directly linked to improvements in performance or profitability. We are taking an earnest stance as we confront the question of whether our business performance justifies the costs incurred.

Against this backdrop, we are re-examining the quality of our human capital investment. Instead of investing equally across all levels, we are restructuring our investment approach based on two pillars: concentrated investment regarding upper-level employees, particularly managers and leaders; and expanding the range of personnel who can utilize DX and AI. While continuing to enhance standards across the board, we aim to boost the effectiveness of our human capital investment by providing education with a clear focus.

Human Resource Development with an Eye to the Future

Our training for future leaders is designed to nurture future operating officers, heads of overseas sites, and general managers of business divisions. This training program is for candidates who have been selected through nomination by each headquarters chief and through discussions between the President and management. We create medium-term development plans and provide individual training based on personnel assessments and 360-degree evaluations.

Meanwhile, our leader training program nurtures future department-manager-level employees, and helps participants acquire the necessary skills for serving as leaders through a

three-year program covering organizational management, scenario planning, and leadership development. Five cohorts have graduated so far, leading to the continuous development of personnel who lead their workplaces as managers.

We believe that one challenge for future efforts is the education of the management team that will lead the company in the future. We will focus our efforts on this topic while also considering its impact on work engagement.

TAIYO YUDEN's DNA Permeating Through Overseas Sites

TAIYO YUDEN is a global company with an overseas sales ratio of over 90%. This is exactly why we are focusing on nurturing future leaders at our overseas sites as well. Through short-term assignments lasting about one year, they work with their Japanese colleagues to learn our ways of thinking about technology, quality, and management, which they then take back and implement at their own sites. Through an iterative cycle of practice and learning, we are raising the standards of local management.

We also feel that by achieving closer communication with the head office in Japan, it becomes easier to impart not only the knowledge and know-how required of management candidates but also the spirit of TAIYO YUDEN's manufacturing. We recognize this approach as one of our strengths.

The Growth of Employees and the Company Through Sustainable Well-Being

In the next medium-term management plan, we are considering placing the realization of HR Well-being\* at the center of our HR measures, based on the concept of sustainable well-being with an even greater focus on people. This initiative is not just about ease of working, but also about job satisfaction, growth, and connection with the organization. We believe that when these elements are linked together, employee well-being increases, productivity per person improves, and corporate value rises. This is the virtuous cycle that we are aiming for. We believe that by linking the excitement of our employees with the excitement of TAIYO YUDEN, we can create a driving force for both employees and the company to achieve significant growth together.

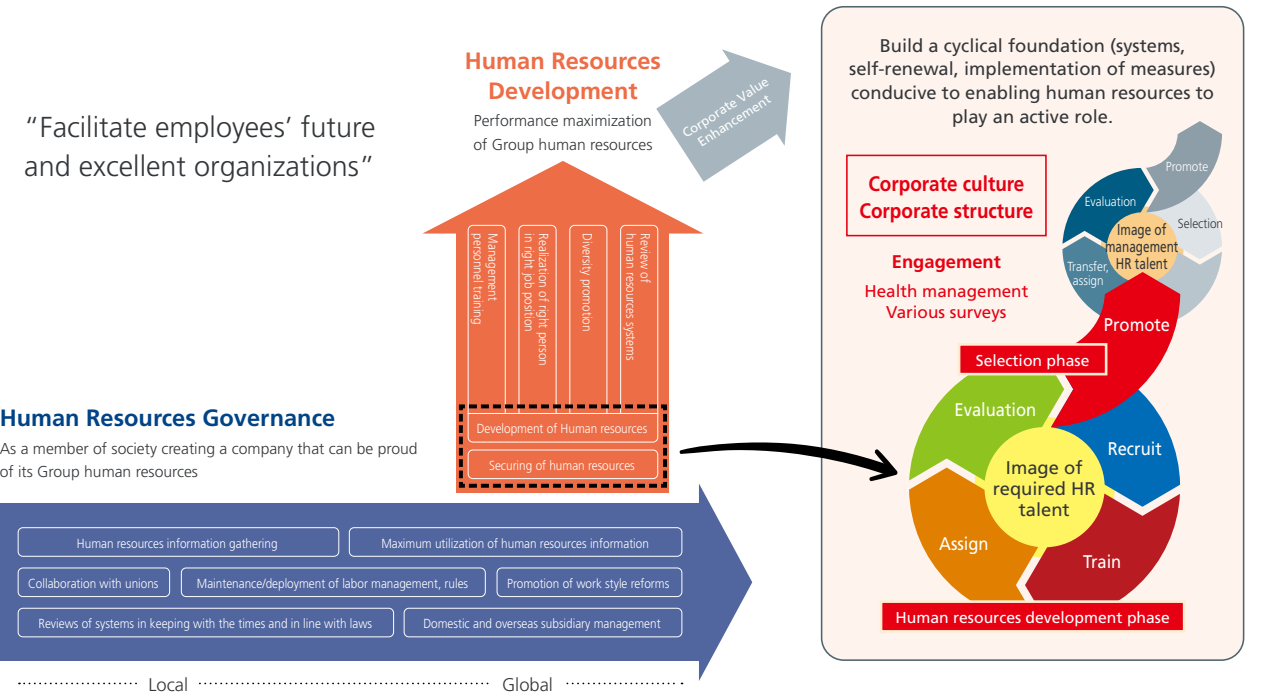
\*HR Well-being: Employee well-being

Human Resources Strategy

Fundamental Stance

In keeping with its founding philosophy, TAIYO YUDEN understands the importance of workforce diversity and encourages individual employees to express their unique character and personality, hoping to help them lead an enriched life. Bearing the above in mind, we build and implement ongoing human resources development strategies, focusing on two areas: globalization skills for implementing management strategies based on experience of different cultures; and innovation capabilities for creating new value to contribute to society by exercising strengthened professional expertise and creativity.

Also, seeking to perform our HR mission to “facilitate employees’ future and excellent organizations,” we are striving to create an environment that encourages all individuals and organizations within the Group to fulfill their potential and accelerate HR development efforts. As a member of society, our human resources governance is designed to create a company that employees can be proud of, and our human resources development aims to maximize the performance of Group employees. In this way, we aim to facilitate the personal growth of each employee and increase our overall corporate value.



The Vision of the Group for which TAIYO YUDEN is Aiming

The sustainable growth of the TAIYO YUDEN Group requires leaders who can drive the company and organization, so we call for leadership that fully utilizes each employee's strengths. With respect to this, in external evaluations through human resources training and other methods, there are positive evaluations of the human resources of TAIYO YUDEN, including that they are cooperative and serious-minded, and work as hard as they can to achieve what is required of them, but on the other hand they are also receiving negative evaluations such as that they avoid conflict and do not state their own opinions or ideas, their reactions are weak because they are not good at expressing emotion, and their ability to conceive a vision is weak.

In order to realize the vision we are aiming for going forward, TAIYO YUDEN will maintain and enhance performance management ability and the ability to ascertain information,

the strengths of our employees, while strengthening their weaknesses of human resources development, vision creation, and a lack of transformative thinking through training and other methods, in order to get closer to the talents required. As a part of that approach, we conduct leader training, management training, coaching training, and other training for future leader candidate employees, to encourage them to be more scientific, rational, and organized in their actions.

Through these initiatives, we aim to develop human resources who think, take action, and carve out business themselves. Moreover, we are aiming for the kind of human resources group in which each and every one of our employees can tackle their work with vitality, break out of their shells, and further broaden their human relationships and work areas through spontaneous actions.



ESG / Social Activities

Work Engagement

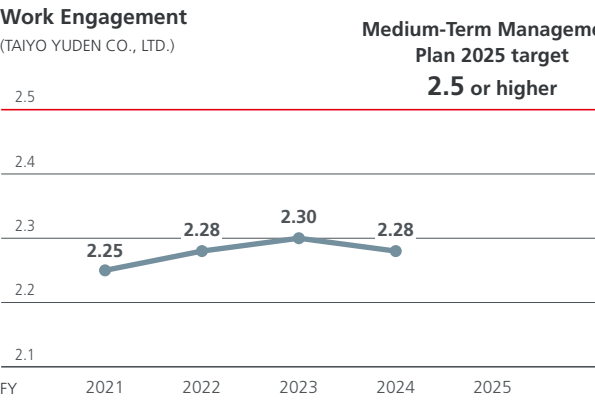
TAIYO YUDEN believes that a workplace environment in which the employees feel a sense of pride and fulfillment in their work and tackle their tasks with vigor is important for sustained value creation. For this reason, in the medium-term management plan 2025 we set the numerical target of 2.5 for work engagement, an indicator of an employee's state of mind which measures the extent to which they feel a sense of pride and fulfillment in their work, and we are advancing initiatives for environmental improvement.

In the work engagement survey we carry out every year, the results for FY2024 were 2.28. Further, based on the analysis of the results of the survey of the Utrecht Work Engagement Scale (UWES) we implemented in FY2022, we perceive that improvement of the management which involves guidance and development is necessary; therefore, in addition to the strengthening of the education of management supervisors and strengthening of training of supervisors for production departments which we have carried out previously, we are giving feedback to the management supervisors and utilizing a checklist in the selection of people for promotion, among other measures.

Examples of Initiatives in FY2024

■ Expanded management training, harassment training, etc., and introduced job cards in career plan training

■ Conducted sleep seminars for shift workers and provided line care training for departments with high stress levels



Key Measures

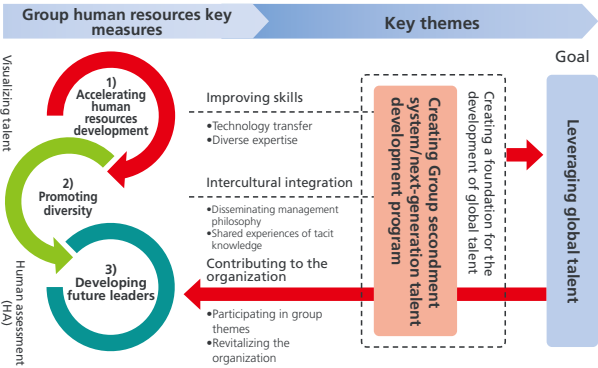
(1) Accelerating Human Resources Development

In order to ensure a healthy balance of young employees in our workforce, we continue to operate a policy of recruiting a fixed number of young employees per year, regardless of the state of the economy. After joining our company, we focus on cultivating young employees during their first five years. We aim to develop talents who can create a sense of purpose in their work and achieve results by involving others. We also aim to develop leaders who can drive the organization and conduct various forms of training and instruction to achieve this.

Furthermore, to nurture human resources who will support the Group's growth, we also conduct inter-site exchanges where employees from overseas bases work at domestic sites.

Employee Training Expenses (TAIYO YUDEN CO., LTD.)

	FY2021	FY2022	FY2023	FY2024
Total training expenses (Unit: 1,000 yen)	182,307	230,026	258,541	294,011
Training expenses per employee (Unit: yen)	62,600	79,237	90,621	100,414



Training Systems

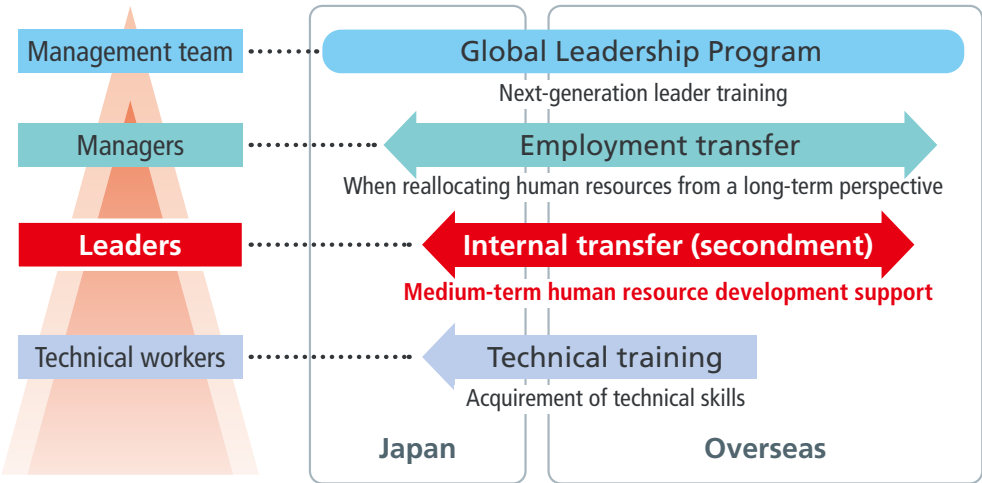
Position Level	Position Level-Specific Training	Vocational Education	Selective Training			Education in Skills Required of All of the Employees	Qualification Requirements	Career Design	Self-Development Support		
Executive Level	Executive Training	Specialized Skills Education				Business Skills Education		Life Plan Training	Acquisition of Qualifications	Correspondence Education	Foreign Language
Management Level	Training for Newly Appointed Subsidiary MD										
	Management Training		Global Leadership Program	Working Doctor Program/ Study Abroad	Pre-Departure Language Training		Business Administration				
	Promotion Training		Leader Training								
Middle Level	Assessment		Pre-Assessment Training				Logical Thinking				
	Promotion Training			Financial Accounting							
Junior Level	Fundamental Knowledge Establishment Training						Quality Control				
	Promotion Training										
New Level	Factory On-Job Training										
	New Employee Training										

[Promoting Interaction between the Bases for Human Resource Development]

As part of the materiality of the medium-term management plan 2025 that stipulates the need to “train and develop human resources based on the diversity policy,” we are nurturing human resources that will support the growth of the TAIYO YUDEN Group's future by promoting interaction between the bases for human resource development, in which employees from overseas sites are dispatched to work at domestic sites for approximately one year to accumulate work experience.

For the target management candidates of overseas sites, this opportunity not only enhances their own expertise but also enables them to create connections with other divisions, understand the decision-making and workflow of Japanese sites, and acquire business skills in the Japanese language. For those on the receiving side, working with seconded employees from overseas sites offers an opportunity for in-depth cross-cultural interactions. These interactions will help them recognize their local perspectives and promote the TAIYO YUDEN Group's further globalization.

Global Human Resource Mobility Scheme



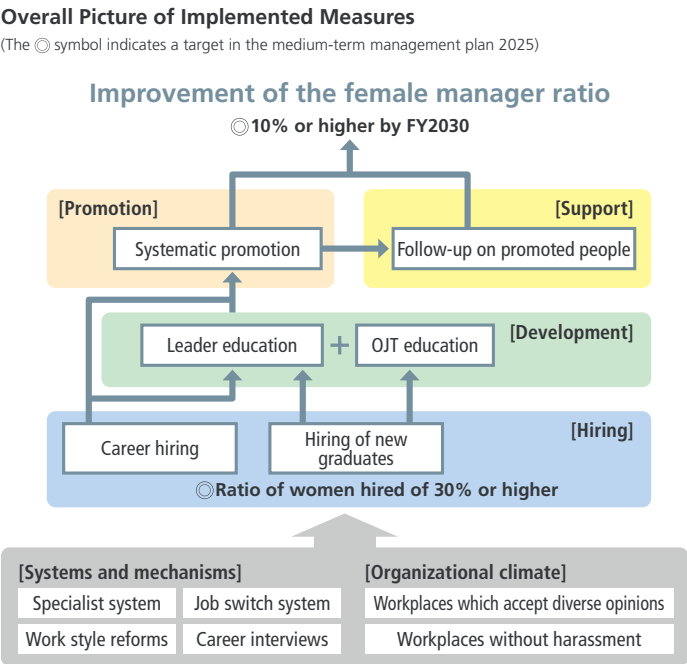
ESG / Social Activities

(2) Promoting Diversity

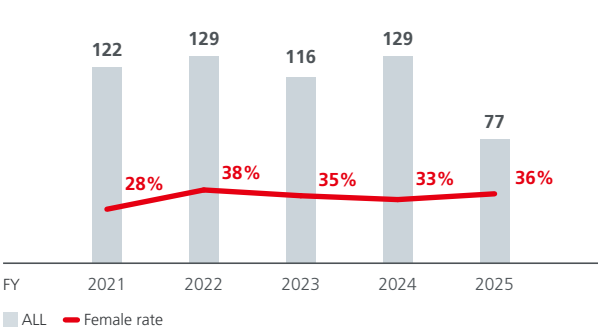
TAIYO YUDEN believes that promoting the advancement of women, who are the largest minority group, is the highest priority issue in achieving diversity management. In the medium-term management plan 2025, the established target rate of newly recruited female graduates is 30% or more, and the target for the female manager ratio is 10% or higher (FY2030). In detail, measures will be implemented in three directions: “promotion of recruitment and active participation of diverse human resources,” “promotion of flexible working styles,” and “mindset reform and development of a corporate culture.” Along with attaining these targets, we also actively promote the development of environments that will enable many motivated women to play an active role without any gender constraints.

We have also established targets for recruiting disabled people and are making active efforts toward this. Furthermore, we are creating and expanding work opportunities for disabled people and providing support to enable them to work with peace of mind.

**Diversity:**  
<https://www.yuden.co.jp/en/sustainability/society/diversity/>



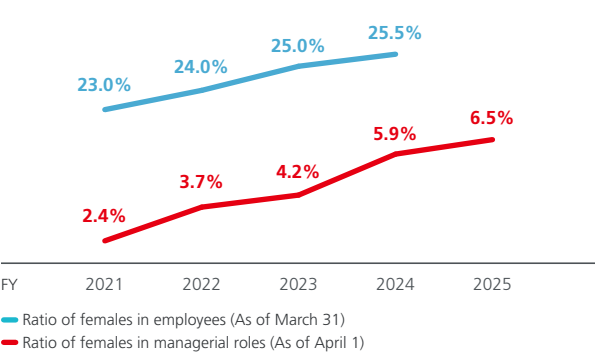
Number of New Graduates Hired (TAIYO YUDEN CO., LTD.)



[Awareness-Raising Activities]

We disseminate information through training programs and our group magazine. In FY2024, in addition to dispatching employees to external training, we conducted a career advancement training program specifically designed to develop female candidates for managerial roles. We have designated the period up to FY2025 as the awareness-building phase, focusing on promoting awareness through training programs and networking events.

Percentage of Female (TAIYO YUDEN CO., LTD.)



[Childcare Support System]

The support system for balancing careers and childcare offers parental leave that exceeds legal requirements. To support the use of the parental leave system and participation in childcare, the “Career and Childcare Support Guidebook” is distributed to male employees with newborns. At the same time, those in management positions are provided with a guidebook for supervisors and e-learning to enable them to support their subordinates in balancing work and childcare.



[Career Transition Program]

To expand opportunities for female employees, we have developed a system that enables employees in clerical positions to transfer to general positions. This initiative is promoted through training. We also support motivated employees in achieving further career growth through their role.

[Promotion of Employment of Disabled People]

We promote the employment and retention of disabled people. As part of our employment promotion initiatives, we opened a café and bakery, which expanded its sales to five sites in FY2024. In addition, we established a department dedicated to supporting the operational efficiency of each division. Through these efforts, we will continue to expand opportunities for disabled people to play an active role in the workplace.

(3) Developing Future Leaders

We run an educational program for leaders in order to increase the number of human resources who will support TAIYO YUDEN. We have set a medium-term target by stipulating the number of future leader candidates necessary based on the business scale forecast. We are also formulating a succession plan and implementing initiatives for training management personnel.

Work Style Reforms

TAIYO YUDEN is working to create a comfortable work environment that enables each employee to maximize their performance. In recent years, we introduced the work-interval system in FY2021 and the work-from-home system in FY2022. The work-interval system is monitored to ensure appropriate

implementation, promote its dissemination, and improve labor management standards. Furthermore, the number of users of the work-from-home system has steadily grown and become more established. We will continue to explore new systems while ensuring the effective utilization of existing systems.

**Examples of Systems and Initiatives**

**Work-interval system**  
This system provides a minimum rest period (interval) between the end of a workday and the start of the next. The adopted interval is 11 hours, which is also the legal standard of EU member states.

(TAIYO YUDEN CO., LTD., as of March 31)		FY2021	FY2022	FY2023	FY2024
Average length of service					
	Male	17.9 years	17.6 years	17.2 years	16.8 years
	Female	17.5 years	16.6 years	15.8 years	15.4 years
Average number of paid leave days taken					
		14.8 days	15.6 days	16.1 days	16.1 days
Utilization rate of childcare leave					
	Male	—	29%	52%	65%
	Female	100%	100%	100%	100%



So that each and every employee can demonstrate their performance to the maximum extent, the Company is working to create comfortable work environments.



ESG / Social Activities

Health-Oriented Management

TAIYO YUDEN continues to engage in the creation of workplaces that support the mental and physical health of its employees. By increasing the energy and productivity of our organizations, we intend to increase our corporate value. To this end, we have designated the President and Chief Executive Officer as Chief Healthcare Officer (CHO) and issued the TAIYO YUDEN Group: Health-Oriented Management Declaration, which seeks both to help employees improve their health and to raise their health awareness through the establishment of Group-wide systems, in order to work for the realization of health-oriented management.

In order to promote strategic and systematic efforts to improve employee health, we have established lifestyle habit KPIs, and categorized them under one of five themes collectively named “Focus 5”: diet, non-smoking, exercise, sleep, and stress. We have been able to verify a correlation between

improved Focus 5 (positive lifestyle habits) performance and reduced rates of abnormal findings at health checks. Consequently, we are working on projects to encourage employees to acquire as many Focus 5 habits as possible.



Focus 5 Trends						(%)
	Definition	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Target
Diet	Ratio of employees with BMI 18.5 or more and less than 25	64.9	64.7	63.1	64.4	65.3
Non-smoking	Ratio of employees with no smoking habits	81.3	82.4	82.9	83.4	83.3
Exercise	Ratio of employees with exercise habits	25.3	26.8	27.9	28.2	28.7
Sleep	Ratio of employees able to take enough rest by sleeping	61.9	62.1	60.5	60.4	78.3
Stress	Ratio of employees not applied for “High stress”	82.3	84.0	84.5	84.2	86.3

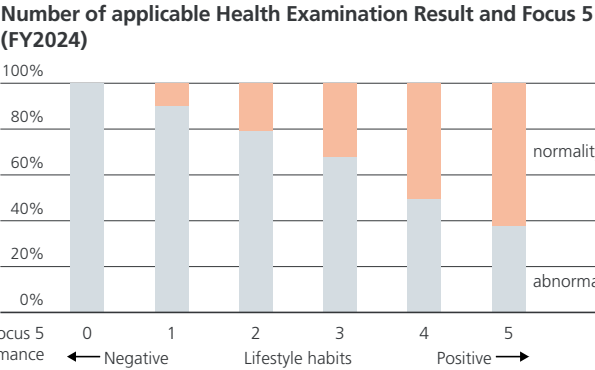
\*For all five themes, the higher the proportion the better    \*The arrows show the changes compared to the previous fiscal year

Focus 5 and Health Data

The correlation between the Focus 5 indicators and health data showed that the higher the number of applicable indicators, the fewer abnormalities\*<sup>1</sup> during health examination and the less ill health\*<sup>2</sup> during stress checks.

\*<sup>1</sup> Individuals who meet the reexamination, further examination, and treatment standards of the Japan Society of Ningen Dock in any of the five categories within periodic health checkups (BMI, blood pressure, lipids, blood glucose, and liver functions)

\*<sup>2</sup> Calculated from the responses to 11 questions regarding one's physical condition in the stress check



Example Initiatives in FY2024

Promoting Healthy Eating Habits

As part of an event to raise awareness and encourage healthier eating habits, we distributed salads and soups that are rich in vegetables. In conjunction with the timing of health check-ups, we also measured vegetable intake levels using a Veggie Meter.



Measuring vegetable intake with a Veggie Mete



Stakeholder Communication/Engagement

TAIYO YUDEN aspires to be trusted by all stakeholders. We work on increasing our disclosures and transparency and harnessing stakeholders’ opinions learned through dialog with them to inform our business activities, as a result increasing our corporate value.

Stakeholders	Objectives & Policy on Communication	Methods of Communication	Examples
Employees	In an aim to achieve TAIYO YUDEN's materiality to “achieve health-oriented management and work style reforms at safety first workplace” and “train and develop human resources based on the diversity policy,” and to become a company where employees can work energetically, we are taking various initiatives including conducting employee surveys on a regular basis.	■ Employee surveys (Stress checks, health & safety awareness surveys, etc.) ■ Discussions with labor union ■ Training sessions for employees ■ Career counseling service	■ Employee Engagement Survey (Work Engagement Survey) Every year, we survey our employees on work engagement, a KPI set forth in our medium-term management plan 2025. We develop policies using the survey results and execute them to increase the scores.
Local Community	As stated in the management philosophy, TAIYO YUDEN aims for the betterment of local communities, and desires to progress together. We provide factory tours for the people of local communities to promote understanding on TAIYO YUDEN. We also strive to build trust through social contribution activities including sports and volunteer activities.	■ Factory tours ■ Dispatch lecturers to manufacturing classes, participate in manufacturing-related events ■ Participate in and sponsor local activities and charity events ■ Volunteer activities such as forest maintenance, afforestation, and cleaning ■ Softball classes by women's softball team	■ Manufacturing classes We provide manufacturing classes for children at the Shin-Kawasaki Center SOLairoLab and elsewhere.
Shareholders and Investors	We work to provide better understanding of our management policies and business activities through timely and appropriate information disclosure and dialogue. Opinions obtained through dialogue are reported as feedback to management, including the Board of Directors, on a regular basis and are utilized to improve management.	■ General Meeting of Shareholders ■ Announcement of Financial Results ■ IR, SR interviews	■ IR and SR interviews TAIYO YUDEN's management and its IR and ESG staff interview our investors to discuss matters both financial and non-financial. We have incorporated investor feedback to improve and expand our ESG-related information disclosures.
Customers	Through communication from the product design stage, manufacturing base audits, and scorecards, we meet the needs and required standards of customers. We participate in Japanese and international trade shows to introduce TAIYO YUDEN's products and solutions to the wide public including potential customers, and work to create new value.	■ Day-to-day sales activities ■ Customer satisfaction survey ■ Review and audit by customers ■ Exhibitions, seminars ■ Technological exchange sessions	■ Customer reviews and audits We participate in CSR surveys and audits upon customer request.
Suppliers	Suppliers are important partners in the business of TAIYO YUDEN. We hold procurement policy briefings to share TAIYO YUDEN's management and business policies, and ask suppliers to cooperate with the CSR assessment and audit using check sheets that are formulated based on the RBA Code of Conduct. Through this, we are working together to build a supply chain that will fulfill our corporate social responsibilities.	■ Suppliers Seminars ■ Audit to suppliers (CSR audits)	■ Supplier policy briefings Every year, we invite our suppliers to supplier policy briefings to share our management and business policies and our latest ESG developments with them, as well as to help them with their corporate ESG initiatives.

Investor communications (FY2024 Results)

Activities	Frequency	Description
Financial results briefings	4 times	Provided to securities analysts and institutional investors every quarter. The President and Chief Executive Officer, the Operating Officer or the IR Officer provide financial results and other information.
IR interviews	297 interviews	Hold individual interviews in-person or online with securities analysts and institutional investors based inside and outside Japan.
SR interviews	8 interviews	Hold individual interviews mainly with those with shareholder voting rights.
Overseas roadshows	3 times	The President and Chief Executive Officer, the Operating Officer and the IR staff visit institutional investors outside Japan to hold individual interviews.



ESG / Social Activities

Sustainability Evaluation (RBA-VAP Audit)

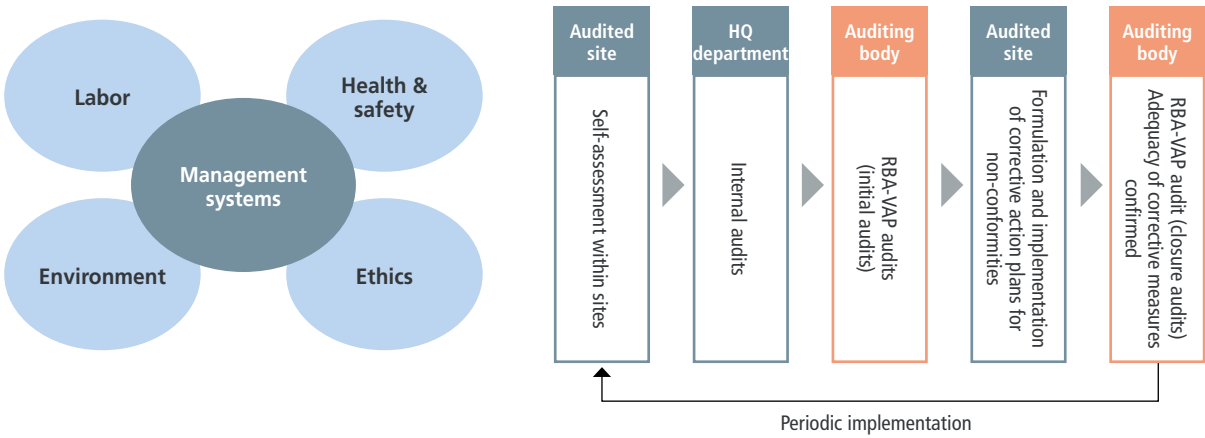
The TAIYO YUDEN Group respects and adheres to the Responsible Business Alliance (RBA) Code of Conduct, an international standard for corporate social responsibility. To reinforce our initiatives in areas such as labor, health and safety, the environment, and ethics, we voluntarily undergo the RBA-VAP audit, a third-party evaluation, at our production sites in five countries, including Japan.

Each site begins by responding to the RBA self-assessment questionnaire. The results are compiled by the HQ departments, responsible for overseeing the RBA-VAP audits within the company, while each site implements the necessary

improvements.

Following an internal audit based on the RBA-VAP standards, each site undergoes an initial audit by an auditing body. If any non-conformities are identified, the site formulates and implements a corrective action plan, which is also shared across other sites to promote ongoing improvement.

After improvements are made, the site undergoes a closure audit by the auditing body to confirm the adequacy of the corrective measures. By periodically repeating this cycle, we aim to encourage continuous improvement throughout the Group.



Certification and Evaluation

Based on the results of the RBA-VAP audit, certifications are awarded according to scores: Platinum (out of 200 points, the maximum rank), Gold (180 points or more), and Silver (160 points or more). In FY2024, the TAIYO YUDEN Nakanojo Plant and the TAIYO YUDEN Mobile Technology Head Office earned the highest certification, Platinum, in their initial RBA-VAP audits. Other sites with identified non-conformities implemented improvement measures, and the effectiveness of their corrective measures was confirmed through a closure audit. As a result, all audited sites have obtained Platinum certification.



Platinum Certification in Initial Audit: TAIYO YUDEN Nakanojo Plant



Platinum Certification in Initial Audit: TAIYO YUDEN Mobile Technology Head Office

Audit Sites

TAIYO YUDEN CO., LTD.

Haruna Plant / Nakanojo Plant / Tamamura Plant / Yawatabara Plant

Consolidated Subsidiaries

TAIYO YUDEN CHEMICAL TECHNOLOGY CO., LTD. / FUKUSHIMA TAIYO YUDEN CO., LTD. / NIIGATA TAIYO YUDEN CO., LTD. / WAKAYAMA TAIYO YUDEN CO., LTD. / TAIYO YUDEN Mobile Technology Co., Ltd. (Head Office & Tokorozawa Plant) / ELNA CO., LTD. (Shirakawa Factory / Aomori Factory) / KOREA KYONG NAM TAIYO YUDEN CO., LTD. / TAIYO YUDEN (CHANGZHOU) CO., LTD. / TAIYO YUDEN (GUANGDONG) CO., LTD. / TAIYO YUDEN (PHILIPPINES), INC. / TAIYO YUDEN (SARAWAK) SDN. BHD.

RBA-VAP Audit  
<https://www.yuden.co.jp/en/sustainability/misc/external/>

External Evaluation

TAIYO YUDEN seeks to improve both its economic value and its social value and, for this reason, it has set and is working to achieve ESG targets related to social value.

(As of August 2025)

Inclusion in the Six ESG Indices Selected by GPIF



FTSE Blossom Japan Index

FTSE Blossom Japan Index



FTSE Blossom Japan Sector Relative Index

FTSE Blossom Japan Sector Relative Index



S&P/JPX Carbon Efficient Index

2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

MSCI Nihonkabu ESG Select Leaders Index

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

MSCI Japan Empowering Women Index (WIN)

• Morningstar Japan ex-REIT Gender Diversity Tilt Index

Inclusion in Other ESG Indices



FTSE4Good Index Series

2025 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

MSCI Japan ESG Select Leaders Index



SOMPO Sustainability Index

Other Sustainability Evaluations



CDP CLIMATE A LIST



CDP Supplier Engagement Leader

• EcoVadis Silver Rating



Health & Productivity Stock, White 500



Sports Yell Company



Eruboshi Certification (Three Stars)



Platinum Kurumin Certification

External Evaluation  
<https://www.yuden.co.jp/en/sustainability/misc/external/>

# 11-year Financial and Non-Financial Summary

TAIYO YUDEN CO., LTD. and Subsidiaries  
Years Ended March 31 and as of March 31

	(Millions of yen)											(Millions of yen)
	Years ended March 31	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business results												
Net sales		227,095	240,385	230,716	244,117	274,349	282,329	300,920	349,636	319,504	322,647	341,438
Operating profit		13,153	23,370	12,385	20,221	35,237	37,176	40,766	68,218	31,980	9,079	10,459
Ordinary profit		15,653	22,263	11,200	20,553	34,351	35,165	41,247	72,191	34,832	13,757	10,517
Profit attributable to owners of parent		10,919	14,751	5,428	16,355	23,687	18,022	28,615	54,361	23,216	8,317	2,328
Total assets		265,454	268,380	271,149	287,170	328,861	343,122	404,642	474,522	503,462	579,686	573,188
Net assets		150,856	153,381	154,150	170,118	205,953	210,454	243,941	300,286	318,478	330,098	319,171
Cash flows from operating activities		24,896	38,278	29,692	33,944	42,967	52,434	52,882	67,315	39,460	51,104	33,941
Cash flows from investing activities		(20,964)	(35,374)	(28,806)	(26,918)	(33,581)	(40,874)	(42,218)	(50,622)	(60,438)	(82,793)	(63,527)
Free cash flows		3,932	2,904	887	7,026	9,386	11,560	10,664	16,693	(20,978)	(31,689)	(29,586)
Cash flows from financing activities		(21,249)	(2,050)	(4,342)	953	(1,603)	(4,851)	12,604	(14,711)	14,485	37,647	3,048
Cash and cash equivalents at end of period		41,476	39,944	36,094	43,837	51,654	57,285	81,785	88,609	84,124	94,940	67,543
R&D expenses		8,237	9,024	10,008	10,574	13,039	12,921	12,550	13,099	12,678	13,696	15,042
Capital investment		18,773	41,261	33,161	24,549	38,570	39,365	49,699	34,023	50,489	92,201	64,158
Depreciation and amortization		21,813	23,767	24,908	25,589	26,547	27,022	29,256	31,287	34,903	39,391	46,258
(Yen)												
Per share data												
Net assets per share		1,278.07	1,299.75	1,305.96	1,440.79	1,609.72	1,672.40	1,937.86	2,403.20	2,548.15	2,640.98	2,552.94
Basic earnings per share		92.74	125.27	46.08	138.80	189.93	143.04	227.99	433.46	186.32	66.75	18.67
Diluted earnings per share		85.51	115.54	42.43	127.88	185.87	142.67	227.32	432.19	185.71	63.49	16.13
Cash dividends per share		10.00	15.00	20.00	20.00	21.00	26.00	40.00	80.00	90.00	90.00	90.00
(%)												
Financial indicators												
Equity ratio		56.7	57.1	56.8	59.1	62.5	61.2	60.1	63.1	63.1	56.8	55.6
Return on Equity [ROE]		7.8	9.7	3.5	10.1	12.6	8.7	12.6	20.0	7.5	2.6	0.7
Return on Assets [ROA]		6.1	8.3	4.2	7.4	11.2	10.5	11.0	16.4	7.1	2.5	1.8
Return on Invested Capital [ROIC]		5.4	7.2	2.6	7.6	9.8	6.8	9.8	15.7	5.9	1.9	0.5
Non-financial indicators												
Number of employees [consolidated]		18,262	18,810	18,753	19,011	21,300	21,723	22,852	22,312	21,819	21,823	20,779
Number of employees [non-consolidated]		2,577	2,618	2,586	2,590	2,681	2,785	2,837	2,873	2,903	2,853	2,928
Greenhouse gas emissions (10³t-CO₂e)		426	424	422	432	430	432	484	459	396	419	383
Incidence rate of injuries and illness		0.030	0.030	0.035	0.028	0.015	0.008	0.015	0.021	0.015	0.020	0.027
Accident frequency rate		0.15	0.15	0.18	0.14	0.08	0.04	0.08	0.10	0.07	0.10	0.13
Female manager ratio		—	—	1.1	1.4	1.8	2.5	2.4	3.7	4.2	5.9	6.5

Note: ROE = Profit attributable to owners of parent/Shareholders' equity (yearly average) x 100  
ROA = Ordinary profit/Total assets (yearly average) x 100  
Some figures have been retroactively revised due to changes in the calculation method for GHG emissions and waste amounts from FY2020 onward  
Accident frequency rate = Number of the victims of occupational injury (at least one workday lost) / Total actual number of hours worked by registered workers x 1,000,000  
Female manager ratio: Figures as of April 1 of the following year



# Financial Review

## Outline of Business Performance

During the fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025), the business environment surrounding the TAIYO YUDEN Group (“the Group”) continued to improve, though there was weakness seen in some regions. As for the future, while it is hoped that this recovery will continue, it will be necessary to monitor the trade policies of different countries, including tariffs, changes in financial and capital markets, and the international situation.

The Group is aiming to reach 50% for its proportion of sales in focus markets, primarily automotive and IT infrastructure/industrial equipment, in order to achieve the targets set out in the medium-term management plan 2025. Moreover, the Group will produce high value-added electronic components with a focus on high-end and high-reliability products to achieve further growth in multilayer ceramic capacitors, the Group’s core business, in addition to strengthening inductors and communication devices to establish them as core businesses. We also plan to continuously expand capacity to meet growing demand and to implement proactive initiatives in the areas of environmental measures and the upgrading of IT. Consolidated net sales for the fiscal year ended March 31, 2025 totaled ¥341,438 million, which was an increase of 5.8% compared to the previous fiscal year.

The average foreign currency exchange rate for the fiscal year ended March 31, 2025 was US\$1: ¥152.61. This was a depreciation of ¥9.29 as compared to the average realized in the previous fiscal year of US\$1: ¥143.32.

### Selling, General and Administrative Expenses

In the fiscal year ended March 31, 2025, selling, general, and administrative (SG&A) expenses increased ¥4,734 million compared with the previous fiscal year to ¥61,110 million. The main components of SG&A expenses for the fiscal year ended March 31, 2025 were research and development expenses of ¥15,042 million and employees’ salaries and allowances of ¥14,795 million.

Accounting for these and other factors, operating profit rose 15.2% year on year to ¥10,459 million.

### Non-operating Income (Expenses)

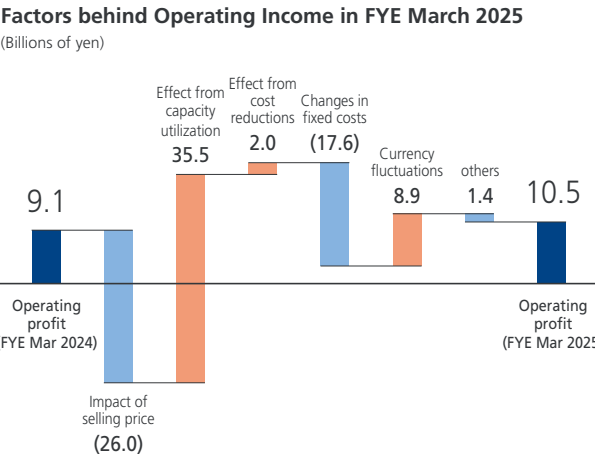
Non-operating income in the fiscal year ended March 31, 2025 was ¥2,225 million, a decrease of ¥4,321 million compared with the previous fiscal year. On the other hand, non-operating expenses increased ¥299 million compared with the previous fiscal year to ¥2,167 million due in part to increases in interest expenses and foreign exchange losses.

As a result, ordinary profit decreased 23.6% year on year to ¥10,517 million.

### Extraordinary Gains (Losses)

In the fiscal year ended March 31, 2025, extraordinary income increased ¥327 million compared with the previous fiscal year to ¥598 million, due in part to gains recorded on the sale of investment securities. Extraordinary losses increased ¥1,794 million compared with the previous fiscal year to ¥2,750 million. This was due to expenses associated with business structure reforms and Antimonopoly Act-related loss pertaining to the subsidiary ELNA CO., LTD., despite a decrease in loss on sale and retirement of non-current assets.

As a result, profit attributable to owners of parent decreased 72.0% year on year to ¥2,328 million.



## Financial Position

### Assets

Total assets stood at ¥573,188 million as of March 31, 2025, down ¥6,497 million compared with the end of the previous fiscal year.

Current assets decreased ¥17,935 million. This was mainly due to an increase of ¥8,627 million in work in process, an increase of ¥1,189 million in raw materials and supplies, a decrease of ¥24,616 million in cash and deposits, and a decrease of ¥2,125 million in merchandise and finished goods. Fixed assets increased ¥11,437 million owing to an upswing in property, plant and equipment of ¥13,280 million and a decrease in investments and other assets of ¥1,943 million.

### Liabilities

Total liabilities stood at ¥254,017 million as of March 31, 2025, an increase of ¥4,430 million compared with the end of the previous fiscal year. This was primarily due to an increase of ¥9,487 million in long-term borrowings, an increase of ¥6,246 million in the current portion of long-term borrowings, a decrease of ¥7,977 million in accounts payable - other, a decrease of ¥2,587 million in notes and accounts payable - trade, and a decrease of ¥1,026 million in provision for bonuses.

### Net Assets

Net assets stood at ¥319,171 million as of March 31, 2025, down ¥10,927 million compared with the end of the previous fiscal year. Principal movements in net assets were a decrease of ¥8,892 million in retained earnings due to ¥2,328 million in profit attributable to owners of parent and ¥11,221 million in dividends of surplus, and a decrease of ¥1,569 million in foreign currency translation adjustment due to the impact of exchange rates.

## Status of Cash Flows

Net cash provided by operating activities for the fiscal year ended March 31, 2025 was ¥33,941 million, a decrease of 33.6% compared with the previous fiscal year. The contributing factors were profit before income taxes of ¥8,365 million, depreciation of ¥46,258 million, an increase in inventories of ¥9,039 million, income taxes paid of ¥4,324 million, and a decrease in trade payables of ¥2,797 million.

Net cash used in investing activities was ¥63,527 million, down 23.3% from the previous fiscal year. The largest cash outflow was ¥62,715 million paid for purchases of non-current assets.

Net cash provided by financing activities was ¥3,048 million, a decrease of 91.9% from the previous fiscal year. The main factors were proceeds from long-term borrowings of ¥25,000 million, payments of cash dividends of ¥11,203 million, repayments of long-term borrowings of ¥9,265 million, and repayments of lease liabilities of ¥1,380 million.

As a result of the aforementioned activities, cash and cash equivalents as of March 31, 2025 were ¥67,543 million, a decrease of ¥27,396 million from the end of the previous fiscal year.

Financing from external sources as of March 31, 2025 consisted of ¥4.2 billion in short-term borrowings, ¥15,502 million in the current portion of long-term borrowings, ¥50,991 million in convertible-bond-type bonds with share acquisition rights, and ¥93,707million in long-term borrowings. In principle, borrowings are procured within Japan at fixed interest rates. TAIYO YUDEN has also established a commitment line of ¥30.0 billion effective for three years, in order to ensure financial stability. The Group has not utilized the commitment line as of March 31, 2025.

TAIYO YUDEN is capable of generating cash flow through its sound financial position and operating activities, and we believe the Company is capable of procuring the operating capital and funds for capital investment that may be required in the future to maintain TAIYO YUDEN’s growth.



ESG Data

Items linked to TAIYO YUDEN's medium-term management plan 2025 targets

				Period/ As-of-Date	Coverage	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Unit	
Environment	Greenhouse gas (GHG)	GHG emissions (Scope1 + Scope2)*1		Full year	Consolidated	484,000	459,000	396,000	419,000	383,000	—	t-CO <sub>2</sub> e	
	Medium-term management plan 2025 Target GHG absolute emissions Reduction by 42% in FY2030 *compared with FY2020	Scope1*1		Full year	Consolidated	42,000	44,000	42,000	52,000	58,000	—	t-CO <sub>2</sub> e	
		Scope2		Full year	Consolidated	442,000	415,000	354,000	367,000	325,000	—	t-CO <sub>2</sub> e	
		Scope3*1	1. Purchased goods and services	Full year	Consolidated	490,000	631,000	482,000	601,000	683,000	—	t-CO <sub>2</sub> e	
			2. Capital goods	Full year	Consolidated	122,000	84,000	122,000	225,000	158,000	—	t-CO <sub>2</sub> e	
			3. Fuel- and energy-related activities	Full year	Consolidated	73,000	95,000	89,000	96,000	102,000	—	t-CO <sub>2</sub> e	
			4. Upstream transportation & distribution	Full year	Consolidated	49,000	54,000	42,000	41,000	49,000	—	t-CO <sub>2</sub> e	
			5. Waste generated in operations	Full year	Consolidated (Japan)	16,000	21,000	12,000	11,000	13,000	—	t-CO <sub>2</sub> e	
			6. Business travel	Full year	Consolidated (Japan)	3,000	3,000	4,000	3,000	4,000	—	t-CO <sub>2</sub> e	
			7. Employee commuting	Full year	Consolidated (Japan)	18,000	20,000	16,000	19,000	19,000	—	t-CO <sub>2</sub> e	
			8. Upstream leased assets	Full year	Consolidated	Included in Scope2						—	t-CO <sub>2</sub> e
		9. Transportation and delivery (downstream)	Full year	Consolidated	2,000	4,000	2,000	2,000	2,000	—	t-CO <sub>2</sub> e		
		10. Processing of sold products	Full year	Consolidated	7,000	7,000	7,000	7,000	7,000	—	t-CO <sub>2</sub> e		
	12. End-of-life treatment of sold products	Full year	Consolidated	200	200	100	100	100	—	t-CO <sub>2</sub> e			
	GHG emissions reduction ratio (absolute amount)*1 *compared with FY2020		Full year	Consolidated	(Reference year)	(5.2)	(18.2)	(13.5)	(20.9)	—	%		
	Energy (Manufacturing)	Non-renewable electricity purchased		Full year	Consolidated	919,484	954,088	891,139	944,301	1,030,474	—	MWh	
		Total renewable energy purchased or generated		Full year	Consolidated	730	87,179	123,212	151,256	270,662	—	MWh	
Water	Total net fresh water consumption		Full year	Consolidated	4,149	4,027	3,609	3,764	4,259	—	thousand m <sup>3</sup>		
Target Average water use per unit (production volume) FY2025 10% reduction *compared with FY2020		Withdrawal: Total municipal water supplies (or from other water utilities)	Full year	Consolidated	3,808	3,668	3,283	3,424	3,918	—	thousand m <sup>3</sup>		
		Withdrawal: Fresh groundwater	Full year	Consolidated	341	359	326	340	341	—	thousand m <sup>3</sup>		
	Water usage reduction ratio per unit *compared with FY2020		Full year	Consolidated	(Reference year)	(17.2)	(4.5)	(7.6)	(10.2)	—	%		
Waste	Total waste generated*2		Full year	Consolidated	25.0	28.3	25.7	25.0	28.1	—	kt		
Target Average waste generation per unit (production volume) FY2025 10% reduction *compared with FY2020		Total waste recycled	Full year	Consolidated	22.8	26.0	23.6	23.0	25.9	—	kt		
		Final disposal of waste	Full year	Consolidated	2.2	2.3	2.1	2.0	2.2	—	kt		
		Recycling rate	Full year	Consolidated	91.2	91.8	91.8	92.0	92.2	—	%		
	Waste generation reduction ratio per unit*2 *compared with FY2020		Full year	Consolidated	(Reference year)	(3.4)	12.8	2.0	(0.3)	—	%		
Social	Human rights and labor	Compliance rate of ban on child labor and forced labor		March 31	Consolidated	100	100	100	100	100	—	%	
	Work engagement	Target Work engagement 2.5 or higher	Work engagement		March 31	Non-consolidated	2.27	2.25	2.28	2.30	2.28	—	—
	Occupational health and safety	Target Incidence rate of injuries and illness < 0.016 Accident frequency rate < 0.08	Incidence rate of injuries and illness		March 31	Consolidated	0.015	0.021	0.015	0.020	0.027	—	—
			Accident frequency rate		March 31	Consolidated	0.08	0.10	0.07	0.10	0.13	—	—
			Number of Lost time accidents		March 31	Consolidated	4	6	4	5	7	—	Number of cases
	Human resource development	Training expenses per employee		March 31	Non-consolidated	—	62,600	79,237	90,621	100,414	—	Yen	
		Training hours per employee		March 31	Non-consolidated	—	15.2	20.4	20.5	23.3	—	Hours	
	Diversity	Target Rate of newly recruited female graduates 30% or higher Female manager ratio 10% or higher (FY2030)	Number of employees (consolidated)		March 31	Consolidated	22,852	22,312	21,819	21,823	20,779	—	Persons
			Number of employees (non-consolidated)		March 31	Non-consolidated	2,837	2,873	2,903	2,853	2,928	—	Persons
			Male	March 31	Non-consolidated	2,183	2,211	2,206	2,141	2,181	—	Persons	
			Female	March 31	Non-consolidated	654	662	697	712	747	—	Persons	
Ratio of females			March 31	Non-consolidated	23.1	23.0	24.0	25.0	25.5	—	%		

\*1 In line with the SBT certification, some figures have been retroactively revised from FY2020 onward.  
\*2 Due to a change in the definition, emissions reused within the Taiyo Yuden Group have been excluded, and some figures have been retroactively revised from FY2020 onward.

Detailed data can be viewed on our website.  
• ESG Data https://www.yuden.co.jp/en/sustainability/misc/sdata/  
• Environment Performance https://www.yuden.co.jp/en/sustainability/environment/performance/  
• Diversity https://www.yuden.co.jp/en/sustainability/society/diversity/

			Period/ As-of-Date	Coverage	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Unit	
Social	Diversity	Number of managerial positions		April 1	Non-consolidated	286	287	295	283	273	277	Persons
		Male	April 1	Non-consolidated	279	280	284	271	253	259	Persons	
		Female	April 1	Non-consolidated	7	7	11	12	16	18	Persons	
		Ratio of females in managerial roles (consolidated)		April 1	Consolidated* <sup>3</sup>	—	—	—	17.0	17.4	21.9	%
		Ratio of females in managerial roles (non-consolidated)		April 1	Non-consolidated	2.5	2.4	3.7	4.2	5.9	6.5	%
		Length of service		March 31	Non-consolidated	18.8	17.8	17.4	16.9	16.5	—	Years
		Male	March 31	Non-consolidated	18.9	17.9	17.6	17.2	16.8	—	Years	
		Female	March 31	Non-consolidated	18.7	17.5	16.6	15.8	15.4	—	Years	
		Number of new graduates		April 1	Non-consolidated	101	122	129	116	129	77	Persons
		Male	April 1	Non-consolidated	58	88	80	75	87	49	Persons	
		Female	April 1	Non-consolidated	43	34	49	41	42	28	Persons	
		Rate of newly recruited female graduates		April 1	Non-consolidated	42.6	27.9	38.0	35.3	32.6	36.4	%
		Number of mid-careers		March 31	Non-consolidated	59	40	60	67	50	—	Persons
		Male	March 31	Non-consolidated	37	38	39	48	36	—	Persons	
		Female	March 31	Non-consolidated	22	2	21	19	14	—	Persons	
		Employment rate of disabled people		June 1	Non-consolidated	—	—	2.13	2.36	2.58	2.79	%
		Average number of paid leave days taken		March 31	Non-consolidated	12.7	14.8	15.6	16.1	16.1	—	Days
		Utilization rate of childcare leave (Male)		March 31	Non-consolidated	—	—	29	52	65	—	%
		Utilization rate of childcare leave (Female)		March 31	Non-consolidated	100	100	100	100	100	—	%
		Utilization rate of childcare leave / special paid holiday (when spouse gives birth) (Male)		March 31	Non-consolidated	91	91	93	96	95	—	%
		Ratio of employees who return to work after childcare leave (Female)		March 31	Non-consolidated	100	100	100	100	100	—	%
		Gender pay gap		March 31	Non-consolidated	—	—	68.0	69.9	70.7	—	%
			Regular employees	March 31	Non-consolidated	—	—	67.2	69.2	69.9	—	%
			Non-regular employees	March 31	Non-consolidated	—	—	68.6	67.4	68.4	—	%

\*3 Excluding TAIYO YUDEN CO., LTD.

			Coverage	As of June 27, 2025	Unit		
Governance	The Board of Directors		Chairperson	Non-consolidated	Representative Director, President and CEO	—	
			Directors	Non-consolidated	9	Persons	
			Inside Directors	Non-consolidated	4	Persons	
			Outside Directors	Non-consolidated	5	Persons	
			Ratio of Outside Directors	Non-consolidated	56	%	
			Female Directors	Non-consolidated	3	Persons	
			Ratio of female Directors	Non-consolidated	33	%	
	Audit & Supervisory Committee		Chairperson	Non-consolidated	Outside Director	—	
			Audit & Supervisory Committee members	Non-consolidated	3	Persons	
			Outside Audit & Supervisory Committee members	Non-consolidated	2	Persons	
	Nomination Committee		Chairperson	Non-consolidated	Outside Director	—	
			Nomination Committee members	Non-consolidated	4	Persons	
			Outside Directors	Non-consolidated	3	Persons	
	Remuneration Committee		Chairperson	Non-consolidated	Outside Director	—	
			Remuneration Committee members	Non-consolidated	4	Persons	
			Outside Directors	Non-consolidated	3	Persons	
	Operating Officers		Operating Officers		Non-consolidated	15	Persons
				Male	Non-consolidated	15	Persons
				Female	Non-consolidated	0	Persons

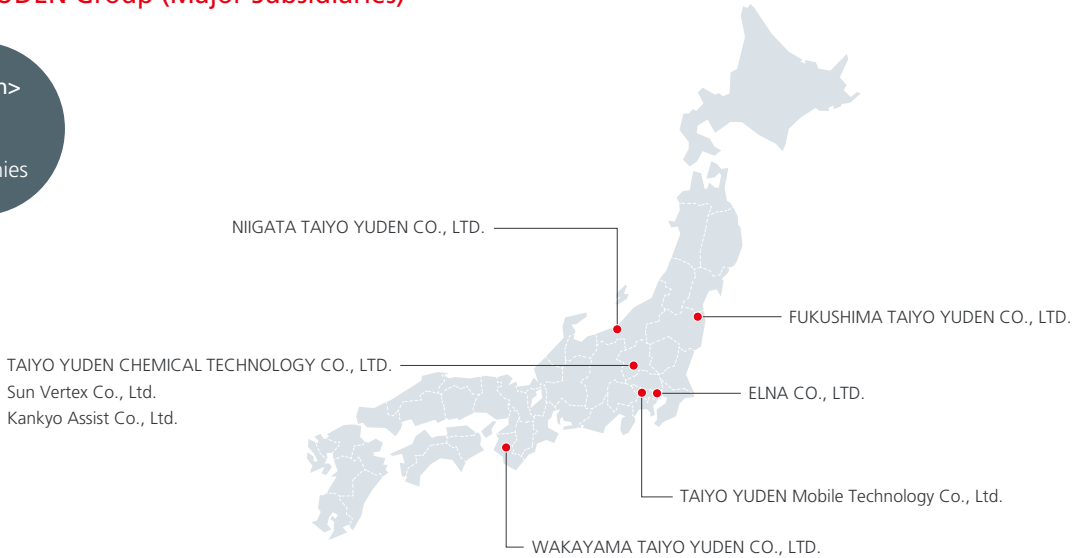
# Corporate Data/Stock Information

## Corporate Data (As of October 1, 2025)

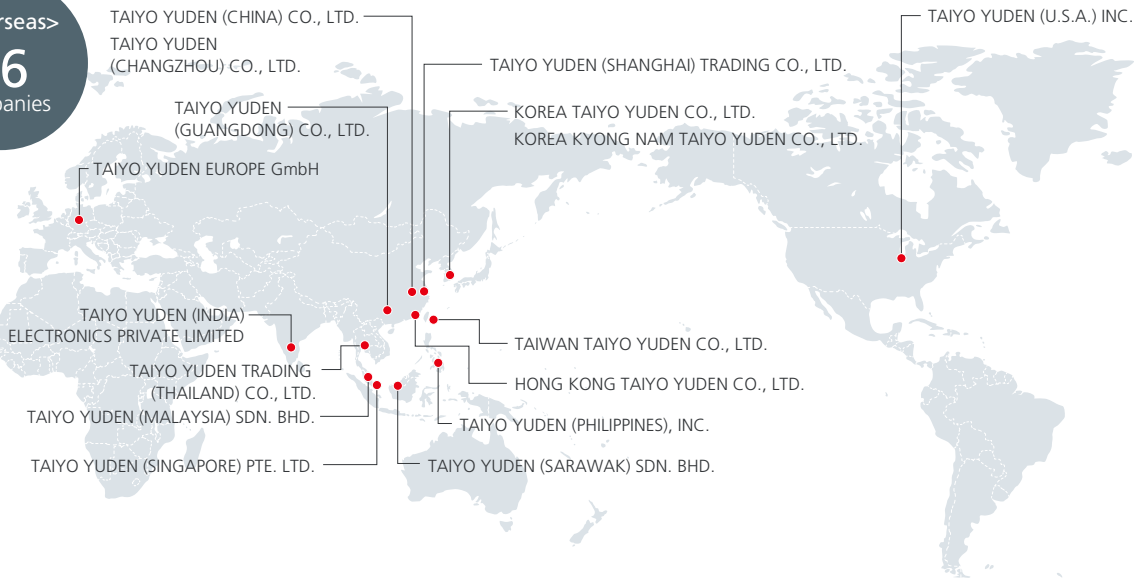
Company name	TAIYO YUDEN CO., LTD.	Number of employees	20,779 (Consolidated) 2,928 (Non-consolidated) <small>(as of March 31, 2025)</small>
Head office	2-7-19, Kyobashi, Chuo-ku, Tokyo 104-0031, Japan	Main products	■ Multilayer ceramic capacitors ■ Inductors ■ FBAR/SAW devices for communications ■ Circuit modules ■ Aluminum electrolytic capacitors
Tel	+81-3-6757-8310	URL	https://www.yuden.co.jp/en/
Representative Director, President and CEO	Katsuya Sase		
Date of establishment	March 23, 1950		
Capital	¥33,575 million <small>(as of March 31, 2025)</small>		

## TAIYO YUDEN Group (Major Subsidiaries)

<Japan>  
8  
companies



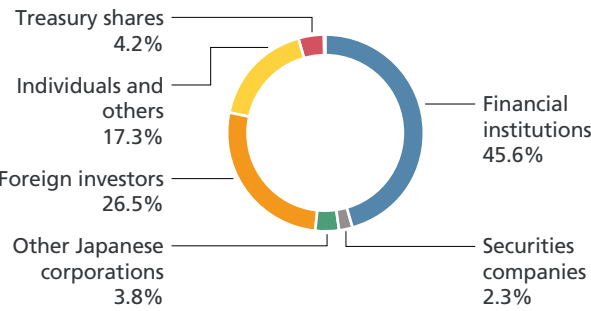
<Overseas>  
16  
companies



## Stock Information (As of March 1, 2025)

Securities code	6976
Stock exchange	Tokyo Stock Exchange
Share trading units	100 shares
Total number of shares authorized to be issued	300,000,000 shares
Total number of shares issued	130,218,481 shares
Number of shareholders	45,682

## Distribution of Shares by Shareholder Type



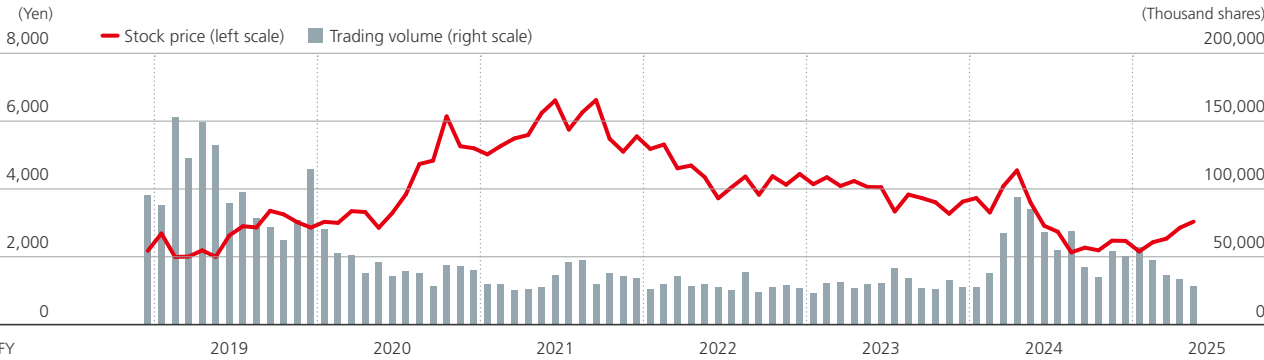
\*Figures are rounded down to one decimal place.

## Major Shareholders

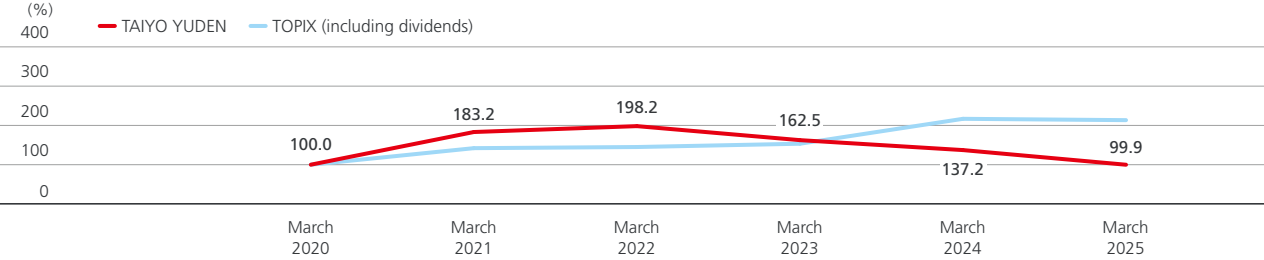
Name	Number of shares held (shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	32,462,700	26.0
Custody Bank of Japan, Ltd. (Trust Account)	20,118,700	16.1
STATE STREET BANK AND TRUST COMPANY 505301	4,753,650	3.8
STATE STREET BANK WEST CLIENT – TREATY 505234	2,651,600	2.1
The Iyo Bank, Ltd.	2,000,100	1.6
Sato Fund for Orphans from Traffic Accidents	1,916,640	1.5
BNP PARIBAS FINANCIAL MARKETS	1,867,003	1.4
HSBC HONG KONG – TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	1,763,744	1.4
Nippon Life Insurance Company	1,666,450	1.3
JUNIPER	1,230,661	0.9

Notes 1. The Company holds 5,485,415 shares of treasury shares, but it is excluded from the above-mentioned major shareholders.  
2. Shareholding ratio is calculated excluding the number of treasury shares.  
3. Figures are rounded down to one decimal place.

## Stock Price/Trading Volume



## Total Shareholder Return (TSR)



**TAIYO YUDEN CO., LTD.**

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