

To whom it may concern:

Company name: TAIYO YUDEN CO., LTD.

Securities code: 6976

Listing: Tokyo Stock Exchange (Prime Market)

Representative: Katsuya Sase, Representative Director, President and Chief Executive Officer

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Conclusion of a Memorandum of Understanding Regarding Business Alliance with TDK Corporation

TAIYO YUDEN CO., LTD. (hereinafter “the Company”) hereby announces that on September 29, 2026, the Board of Directors of the Company resolved on concluding a memorandum of understanding (hereinafter, the “Memorandum”) with TDK Corporation (hereinafter, “TDK”) regarding a business alliance focused primarily on the joint development of electronic components, including multilayer ceramic capacitors (“MLCCs”) and inductors and entered into the Memorandum on the same date. Details are as follows.

1. Reason for the Business Alliance

The TAIYO YUDEN Group operates in the electronic components business, including MLCCs and inductors, and provides high-value-added products that integrate advanced core technologies such as materials technology, multilayer technology, and design technology. In recent years, the rapid growth of artificial intelligence technologies, including generative AI, has driven global demand for semiconductors and chipsets used in AI data centers, AI servers, and physical AI applications. As the performance of these systems continues to improve, demand is also rising rapidly for product groups that the TAIYO YUDEN Group focuses on, namely, high-capacitance, highly reliable MLCCs, inductors, and other electronic components essential for power supply stabilization and noise suppression.

In response to these market trends, and in order to respond swiftly to the rapid expansion in demand for cutting-edge products and market growth, the Company and TDK have agreed to begin exploring a comprehensive business alliance centered on the joint development of advanced electronic components, including cutting-edge MLCCs and inductors for AI data centers and physical AI, and encompassing cooperation in manufacturing and procurement. The Company has concluded that pursuing such an alliance will contribute to its corporate value and, consequently, the common interests of its shareholders, and has therefore decided to enter into this memorandum of understanding.

Through the alliance, the companies aim to respond quickly and reliably to demand for advanced products from customers worldwide, enhance their competitiveness in the electronic components market, and consistently capitalize on growth opportunities while expanding revenue and enhancing profit margins. As key Japanese players in the manufacture of advanced MLCCs, inductors, and other electronic components, the companies also intend to contribute to strengthening Japan’s industrial base and enhancing supply chain resilience.

Furthermore, advanced electronic components, including MLCCs, have been designated as Specified Critical Products subject to measures to ensure a stable supply under the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures (the Economic Security Promotion Act). Moving forward, the two companies will consider formulating a joint supply assurance plan and submitting a joint application to the Ministry of Economy, Trade and Industry. Through efforts by the companies to secure and strengthen their technological advantages in AI-related fields, including physical AI, this business alliance will contribute to strengthening Japan's industrial competitiveness.

2. Contents of the Business Alliance

Going forward, the Company and TDK will proceed with detailed discussions regarding the specific areas of collaboration and the allocation of roles and responsibilities under a comprehensive business alliance centered on the joint development of advanced electronic components, including cutting-edge MLCCs and inductors, and encompassing cooperation in manufacturing and procurement, while also considering the possibility of a future capital alliance.

3. Overview of the Counterparty to the Business Alliance

(1)	Name	TDK Corporation																					
(2)	Location	2-5-1 Nihonbashi, Chuo-ku, Tokyo, Japan																					
(3)	Job title and name of representative	Noboru Saito, Representative Director, President & CEO																					
(4)	Description of business	Development, production and sales of electronic components, and other related businesses																					
(5)	Share capital	32,641,976,312 yen																					
(6)	Date of establishment	December 7, 1935																					
(7)	Major shareholders and ownership ratios (as of March 31, 2026)	<table><tr><td>The Master Trust Bank of Japan, Ltd.(Trust account)</td><td>27.01%</td></tr><tr><td>Custody Bank of Japan, Ltd.(Trust account)</td><td>11.73%</td></tr><tr><td>THE CHASE MANHATTAN BANK,N.A. LONDONSECS LENDING OMNIBUS ACCOUNT</td><td>2.63%</td></tr><tr><td>STATE STREET BANK AND TRUST COMPANY 505001</td><td>2.14%</td></tr><tr><td>CITIBANK,N.A.-NY,AS DEPOSITARY BANK FOR DEPOSITARY SHARE HOLDERS</td><td>1.99%</td></tr><tr><td>HSBC HONGKONG—TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES</td><td>1.69%</td></tr><tr><td>JP MORGAN CHASE BANK 385781</td><td>1.48%</td></tr><tr><td>STATE STREET BANK AND TRUST COMPANY 505103</td><td>1.30%</td></tr><tr><td>GOVERNMENT OF NORWAY</td><td>1.29%</td></tr><tr><td>STATE STREET BANK AND TRUST COMPANY 505301</td><td>1.27%</td></tr></table>		The Master Trust Bank of Japan, Ltd.(Trust account)	27.01%	Custody Bank of Japan, Ltd.(Trust account)	11.73%	THE CHASE MANHATTAN BANK,N.A. LONDONSECS LENDING OMNIBUS ACCOUNT	2.63%	STATE STREET BANK AND TRUST COMPANY 505001	2.14%	CITIBANK,N.A.-NY,AS DEPOSITARY BANK FOR DEPOSITARY SHARE HOLDERS	1.99%	HSBC HONGKONG—TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	1.69%	JP MORGAN CHASE BANK 385781	1.48%	STATE STREET BANK AND TRUST COMPANY 505103	1.30%	GOVERNMENT OF NORWAY	1.29%	STATE STREET BANK AND TRUST COMPANY 505301	1.27%
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(8)	Relationship between the Company and TDK	Capital relationship	Not applicable																				
		Personnel relationship	Not applicable																				
		Business relationship	There are no noteworthy business matters																				
		Relevance to related party	Not applicable																				

(9) Consolidated financial results and financial position of TDK for the last three years			
Fiscal year ended	March 31, 2024	March 31, 2025	March 31, 2026
Total capital	1,714,941 million yen	1,811,254 million yen	2,203,545 million yen
Total assets	3,415,304 million yen	3,541,415 million yen	4,415,175 million yen
Equity attributable to owners of the parent per share	900.04 yen	948.59 yen	1,152.30 yen
Net sales	2,103,876 million yen	2,204,806 million yen	2,504,820 million yen
Operating profit	172,893 million yen	224,192 million yen	272,415 million yen
Net profit attributable to owners of the parent	124,687 million yen	167,161 million yen	195,663 million yen
Basic earnings per share	65.74 yen	88.10 yen	103.09 yen
Dividend per share	23.20 yen	30.00 yen	36.00 yen

*Effective October 1, 2024, one share of common stock was split into five shares. “Equity attributable to owners of the parent per share,” “basic earnings per share,” and “dividend per share” are calculated on the assumption that this stock split had taken place at the beginning of the fiscal year ended March 31, 2024.

4. Schedule

(1) Date of the Board of Directors’ Resolution	September 29, 2026
(2) Date of conclusion of the memorandum of understanding regarding business alliance	September 29, 2026

5. Outlook

We expect this business alliance to have only a minor impact on our financial results for the fiscal year ending March 31, 2027. We believe it will contribute to strengthening the Group’s revenue base and enhancing its corporate value over the medium term.

Should any matters requiring disclosure arise in the future, we will disclose them promptly.