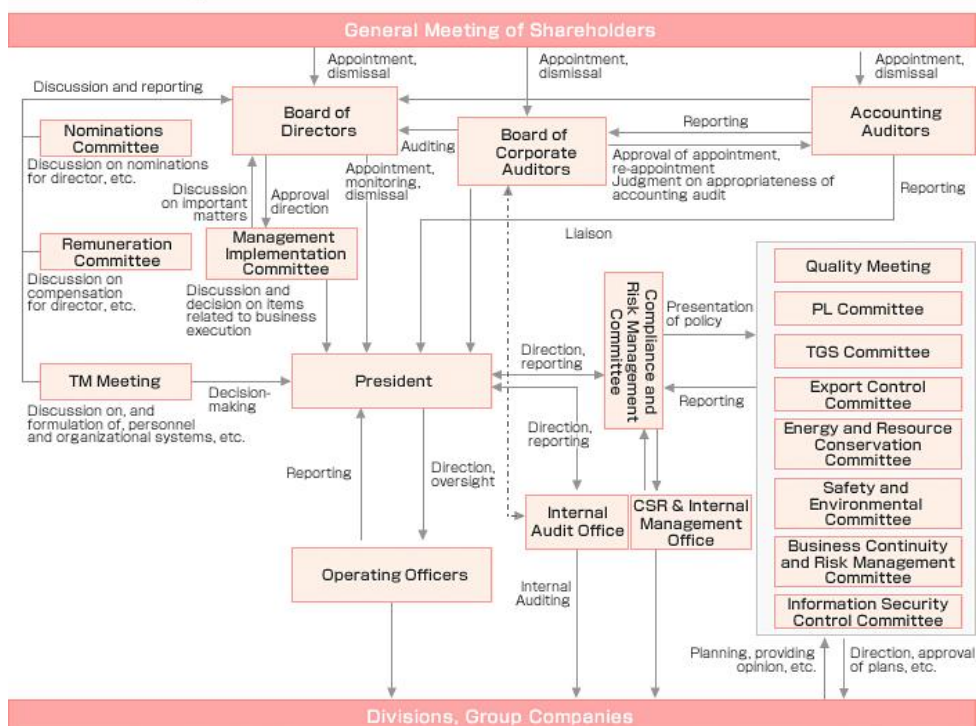


Basic Policy for Corporate Governance

Since its foundation, the TAIYO YUDEN Group has implemented a management philosophy that focuses on "employee well-being," "betterment of local communities" and "responsibility to provide returns to shareholders." Over the years, we have strived to build strong relationships with all stakeholders, beginning with the Company's shareholders, with a strong focus on enhancing corporate value. Considering the strengthening of corporate governance as the most important issue, the Company tries to make management more transparent with timely information disclosure, enhance compliance systems, and construct systems for ensuring speedy decision-making and execution of duties, as well as appropriate supervision and audit.

Structure of Corporate Governance



Review of Corporate Governance

- 1 All Outside Directors and Outside Corporate Auditors are appointed as Independent Officers who have no possibility of conflict of interests with general shareholders.
- 2 The Company established the operating officer system and has Operating Officers in place so as to separate supervising function from operating function.
- 3 Principal meetings and roles of committees are as follows.
 - Management Implementation Committee
In Management Implementation Committee, Operating Officers in charge of business operations deliberate and determine political matters related to operations of group management.
 - TM Meeting
In TM Meeting consisting of Directors with a rank of Executive Operating Officer or higher, matters concerning personnel, organizations, and remunerations in the entire Group are deliberated and determined, and matters concerning important management policies are deliberated in advance.
 - Nominations Committee
The Nominations Committee nominates candidates for Directors, Corporate Auditors, and Operating Officers, and deliberates matters related to election of Representative Directors and Directors. The Committee is chaired by an Outside Director who is an Independent Officer to ensure objectivity of each deliberated matters.
 - Remuneration Committee
The Remuneration Committee deliberates systems of remunerations to Corporate Officers, as well as details of remunerations to each Corporate Officer. The Committee is chaired by an Outside Director who is an Independent Officer to ensure objectivity of each deliberated matters.
 - Compliance and Risk Management Committee
The Compliance and Risk Management Committee consisting of Directors and Operating Officers discusses activities to improve systems concerning internal control, relevant instructions, and their progress management.

Directors, Auditors and Operating Officers

Directors



Yoshiro Kanzaki
Representative Director



Eiji Watanuki
Representative Director



Katsumi Yanagisawa
Director



Shoichi Tosaka
Director



Seiichi Tsutsumi
Director



Osamu Takahashi
Director



Yuji Iwanaga
Outside, Independent Director



Hisaji Agata
Outside, Independent Director

Auditors



Norio Osakabe
Corporate Auditor



Mamoru Yamaki
Corporate Auditor



Tomonori Akisaka
Outside, Independent Auditor



Kazuhiro Yamakawa
Outside, Independent Auditor

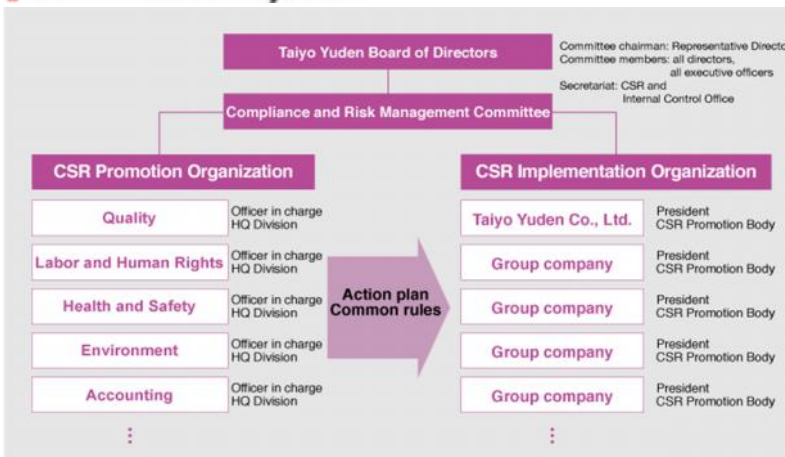
Operating Officers

| | |
|--------------------|---|
| Yoshiro Kanzaki | Chairman |
| Eiji Watanuki | President |
| Katsumi Yanagisawa | Senior Executive Operating Officer, in charge of Electronic components business |
| Shoichi Tosaka | Executive Operating Officer, in charge of R&D and engineering, Quality assurance, New business planning and development, and Recording media business |
| Seiichi Tsutsumi | Senior Operating Officer, in charge of Integrated module & device business |
| Osamu Takahashi | Senior Operating Officer, in charge of Management planning |
| Takashi Tomaru | Senior Operating Officer, in charge of Greater China area |
| Shinji Masuyama | Senior Operating Officer, in charge of Electronic components business |
| Akihiko Mochizuki | Operating Officer, in charge of Recording media business |
| Toshio Mishuku | Operating Officer, in charge of General administration, and CSR and internal management |
| Kazuyuki Oshima | Operating Officer, in charge of Global SCM development |
| Hirokazu Chazono | Operating Officer, in charge of Ferrite application product |
| Kazuya Umezawa | Operating Officer, in charge of New business planning department |

The TAIYO YUDEN Group Conducts Management With a Unified View Under the TAIYO YUDEN Group CSR Charter.

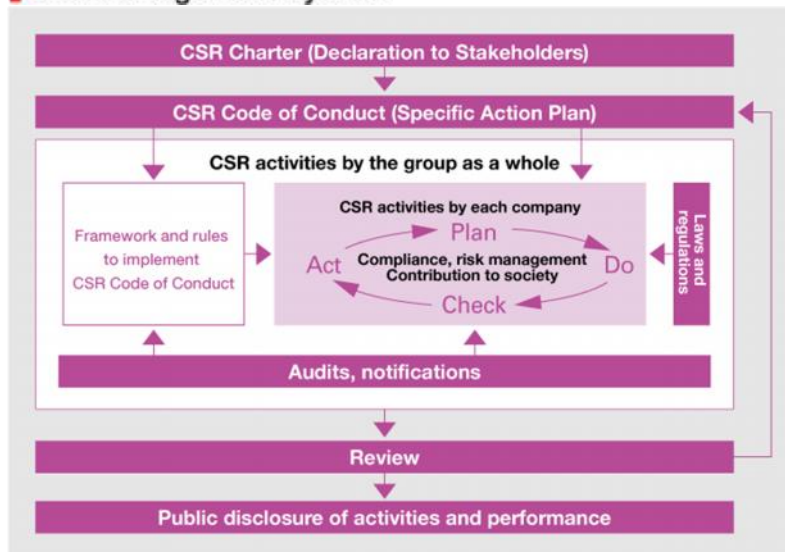
The TAIYO YUDEN Group implements a management philosophy that focuses on "employee well-being," "betterment of local communities" and "responsibility to provide returns to shareholders." Over the years, we have strived to build strong relationships with all stakeholders, beginning with the Company's shareholders, with a strong focus on enhancing corporate value. In 2005 the TAIYO YUDEN Group formulated its CSR Charter (TAIYO YUDEN's Social Responsibility), and in 2006 it formulated the CSR Code of Conduct as a concrete code of behavior to which employees must adhere. Based on the CSR Charter and CSR Code of Conduct, the entire TAIYO YUDEN Group engages in CSR activities.

CSR Promotion System



The Compliance and Risk Management Committee supervises all the CSR activities of the TAIYO YUDEN Group. The chairman of the Committee is a Representative Director, and all TAIYO YUDEN directors are Committee members. The promotion organization is comprised of officers in charge of business operations and head quarter divisions appointed for each provision of the Code of Conduct and each applicable risk. TAIYO YUDEN management is conducted in accordance with this system (the Compliance and Risk Management System) and implemented by each Group company in accordance with the activity policy and rules in common established by the promotion organization.

CSR Management System



In order to realize the purpose of the CSR Charter, the TAIYO YUDEN Group has built a CSR management system. This system puts in place the mechanisms and rules that ensure adherence to laws and regulations and promote the CSR Code of Conduct. Based on this, each Group company conducts CSR activities using PDCA. Furthermore, TAIYO YUDEN continually monitors and checks this system by using internal audits and a whistle-blowing system. Annual reviews of business results are done to assure continuous improvements of all CSR activities.

Initiatives Related to Safety and the Environment

The TAIYO YUDEN Group continually strives to assure fulfillment and awareness of its CSR responsibilities. We engage in safety and environment initiatives based on the CSR Charter. We continually work to ensure the safety of the workplace, to maintain the health of our employees, and to co-exist with nature by reducing the burden on the environment through a variety of business activities.



Environment

Recycling of washing water used for plating

We installed equipment for recycling the washing water used for plating, thereby contributing to a reduction in the volume of water used by the plant. (DONGGUAN TAIYO YUDEN/TAIYO YUDEN (GUANGDONG))



Education

Checking that breathing masks fit properly

Continuing to implement countermeasures against exposure to nano-materials, TAIYO YUDEN made employees learn how to properly use respiratory protective equipment. (TAIYO YUDEN Group, domestic base)



Training

Firefighting training

To ensure all employees know how to use a fire extinguisher, we trained them in firefighting procedures using a water-type fire extinguisher. (Haruna Plant)



Contributing to Society

Plant tours

We organized tours of TAIYO YUDEN Group plants in various regions, at which we explained about the business activities and products of the plant. (Various bases of the TAIYO YUDEN Group)