2025

Safety & Environmental Report

TAIYO YUDEN

CONTENTS

Editorial Policy

Why this Report was Published

The Taiyo Yuden Group strives for perpetual growth while fulfilling its corporate social responsibilities. We regard endeavoring to improve safety and the environment as an important social responsibility, so promote such activities on a global scale. Every fiscal year, we publish a Safety and Environmental Report presenting our goals, our efforts, major results, and other details in a comprehensive yet easy to understand format.

Intended Readership

This publication assumes a target readership consisting not just of customers and clients, but also local communities in the vicinity of our sites, stockholders, investors, people involved in environmental activities or occupational health and safety, NPOs, NGOs, students, group employees, and a wide range of other stakeholders. We also publish this English version to make the contents available to readers overseas.

Referenced Guidelines

This report follows the Environmental Reporting Guidelines (2018 edition) issued by the Japanese Ministry of the Environment. We have listed the core indicators of environmental performance while referring to the GRI standard. Mixing in charts and figures, it outlines the Taiyo Yuden Group's environmental impact describes our management systems, spotlights current issues and reports on specific measures for improving that impact.

Publication on our Website

This report is published on the Taiyo Yuden website, in consideration of effective use of resources, etc. We hope that this report will help you gain a deeper understanding of our environmental, health, and safety activities, and be used as a reference for making an objective judgment of the Group.

Reference : The Taiyo Yuden website
https://www.yuden.co.jp

Scope of Disclosure

Organizations Covered by this Report

This report covers TAIYO YUDEN CO., LTD. and its domestic and overseas subsidiaries.
Safety and environment data covers the following Taiyo Yuden Group members: six domestic sites, ten domestic consolidated subsidiaries, and six overseas consolidated subsidiaries.

[Within Japan]
TAIYO YUDEN CO., LTD.
Takasaki Global Center / Haruna Plant / Nakanojo Plant / Tamamura Plant / Yawatabara Plant / R&D Center /
(Hongo Photovoltaic Power Plant)

Consolidated Subsidiaries
TAIYO YUDEN CHEMICAL TECHNOLOGY CO., LTD. /
TAIYO YUDEN TECHNO SOLUTIONS CO., LTD. /
FUKUSHIMA TAIYO YUDEN CO., LTD. /
NIIGATA TAIYO YUDEN CO., LTD. /
WAKAYAMA TAIYO YUDEN CO., LTD. /
TAIYO YUDEN Mobile Technology Co., Ltd. /
Sun Vertex Co., Ltd. /
Kankyo Assist Co., Ltd. /
ELNA CO.,LTD. /
(Elna Shirakawa Photovoltaic Power Plant)

[Outside Japan]
Consolidated Subsidiaries
South Korea: KOREA KYONG NAM TAIYO YUDEN CO., LTD.
China: TAIYO YUDEN (CHANGZHOU) CO., LTD.
China: TAIYO YUDEN (GUANGDONG) CO., LTD.
Philippines: TAIYO YUDEN (PHILIPPINES), INC.
Malaysia: TAIYO YUDEN (SARAWAK) SDN. BHD.
Malaysia ELNA (MALAYSIA) SDN. BHD.
Thailand: ELNA (THAILAND) CO., LTD.

Period Covered by this Report

This Report focuses on our performance from April 1, 2024 to March 31, 2025. (Date of any activities which have taken place outside this period are specified).

Date of Issue

July 2025
(Previous issue: July 2024; Next issue scheduled for July 2026)

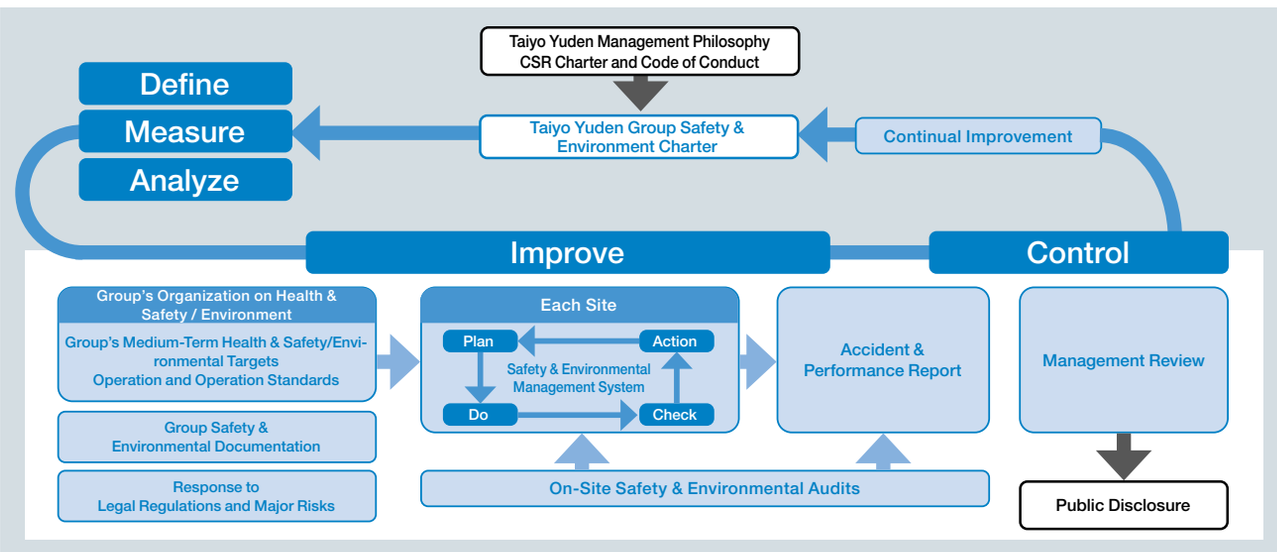
Safety and Environmental Management System 2-1

02

Our group-wide Safety and Environmental Management System keeps individual activities proceeding toward common goals under a common philosophy.

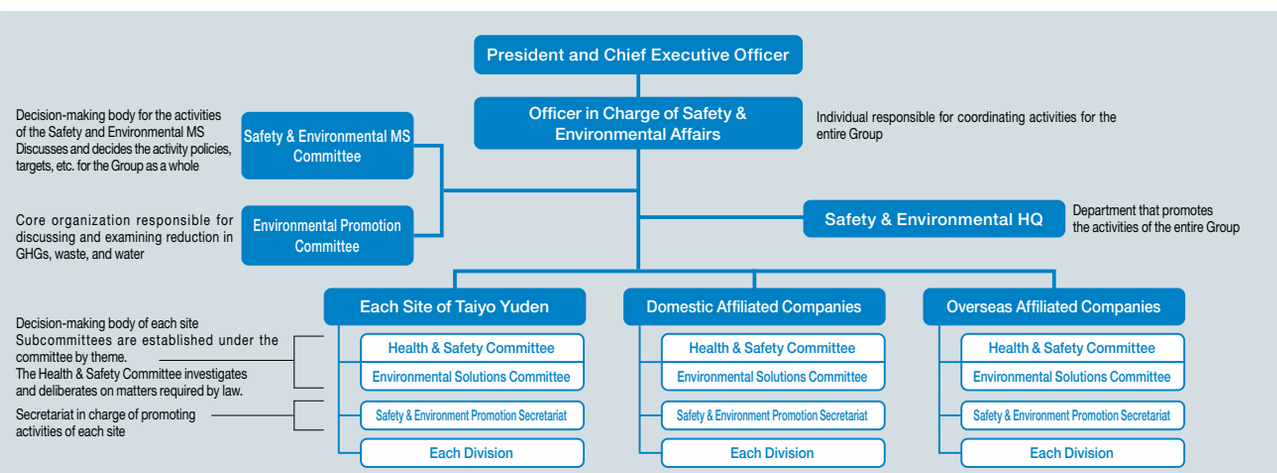
System Overview

This management system consists of long- and short-cycle activities.
In the long-cycle activities, which are designed for the entire group, we are making continuous improvements based on common goals and criteria by checking achievements based on reports about site audits and from sites and by reviewing the management system.
For site-specific short-cycle activities, we have an ISO 14001-compliant management system and the Occupational Health and Safety Management System (OHSMS) in place.



Promotion Structure

The officer in charge of safety and environmental affairs appointed by the President and Chief Executive Officer has overall responsibility for building and managing the promotion structure for Taiyo Yuden's Safety and Environmental Management System. Safety and Environmental MS Committee, the Environmental 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.



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

Safety and EnvironmentalvManagement System 2-2

Certification Acquisition Status

The Taiyo Yuden Group is ISO 14001 certified for its production sites and development centers.
In addition, we address corporate responsibility in the global supply chain, and the group undergoes the Validated Assessment Program (VAP) audits by the Responsible Business Alliance (RBA) on a continuous basis in line with the set plan.

List of Certifications Acquired

Location	Name of Sites	Acquired ISO14001 Certification	Certification authorities
Japan	TAIYO YUDEN CO., LTD. Takasaki Global Center,Haruna Plant, Nakanojo Plant,Tamamura Plant, Yawatabara Plant, R&D Center TAIYO YUDEN CHEMICAL TECHNOLOGY CO., LTD. TAIYO YUDEN TECHNO SOLUTIONS CO., LTD. FUKUSHIMA TAIYO YUDEN CO., LTD. NIIGATA TAIYO YUDEN CO., LTD. WAKAYAMA TAIYO YUDEN CO., LTD. TAIYO YUDEN Mobile Technology Co., Ltd. Kankyo Assist Co., Ltd. ELNA CO., LTD.	**22046582** (as of Oct. 1998) Collectively certified in Japan	BV
South Korea	KOREA KYONG NAM TAIYO YUDEN CO., LTD.	**KR003545** (as of Mar. 2002)	BV
China	TAIYO YUDEN (GUANGDONG) CO., LTD.	**CN042006** (as of Dec. 2001)	BV
Philippines	TAIYO YUDEN (PHILIPPINES), INC.	**PH13/0920** (as of Nov. 2001)	SGS
Malaysia	TAIYO YUDEN (SARAWAK) SDN. BHD.	**EMS00226** (as of Oct. 2002)	SIRIM
	ELNA (MALAYSIA) SDN. BHD.	**17318-E** (as of Dec. 2003)	Kiwa
Thailand	ELNA (THAILAND) CO., LTD.	**04 104 990506** (as of Mar. 2004)	TUV

Safety and Environmental Audits

04

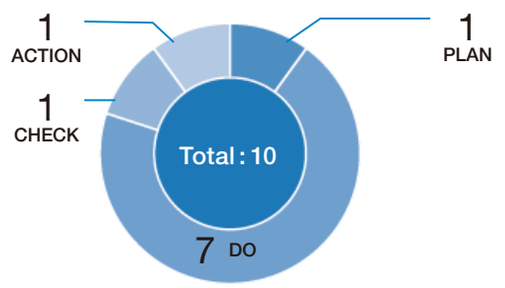
Triple audits evaluate each site's compliance, accident risk management, and the environmental impact situation aimed at producing continuous improvement.

External Audits

ISO14001 certification audits by certification authorities

Sites with ISO14001 certification underwent the audits required to update or maintain such certification. These audits uncovered 10 nonconformities. The root causes were analyzed and corrective action was promptly taken in response to each issue. The nonconformities were minor issues related to the management systems and would not cause environmental pollution or occupational accidents.

Number of Nonconformity Instances Found with External Audits



Nonconformity Examples

Details of nonconformities	Corrective/remedial actions taken
There were no materials that clearly show that the specialists had the competences required.	The procedure was revised to ensure that the specialists have the competences required and the parties concerned received training.
The storage of chemical substances by the contractor was inadequate.	Retraining was given to the contractor to make sure that chemicals were stored in accordance with the rules and the status of compliance was examined on a regular basis.

The RBA-VAP audits for FY2024 have been completed at 6 domestic sites and 2 overseas sites.

Internal Site Audits

Audits of site safety and environmental activities at regularly scheduled intervals allow us to compare sites.

Domestic sites: Once every two years
Overseas sites: Once every three years

In FY2024, we performed site audits to examine the status of compliance with customer requirements; the RBA code of conduct's safety, health, and environmental requirements; the status of implementation of the measures against safety and environmental risks; and the status of maintenance. In each audit, auditors checked documents and performed on-site audits on matters related to customer requirements/RBA requirements, such as risk management against potential hazards, management of required protective equipment, emergency preparedness, management of chemical substances, waste, and air/water quality, and education and training.
The audits revealed inadequacies including education and training, management of protective equipment, and management of safety risks.Countermeasures were implemented for validated inadequacies found during the site audits, and verified its effectiveness.
We aim to improve the level of health, safety, and environmental protection activities for the whole group by globally incorporating societal requirements in a timely manner and sharing the results after benchmarking products from all sites.

Issue Examples

Though education and training were conducted, some participants did not understand adequately.

The management of gas mask cartridges was inadequate.

There was a risk of stumbling over a package sticking out into a passageway in a warehouse and falling down.

Internal Audits

Audits targeting site departments on observance of safety and environment laws, target achievement, and performance.

Once or twice every year

All sites conducted internal audits of their departments in accordance with their management systems. Priority areas were determined for each site, and 25 nonconformities were uncovered as a result of conducting internal audits (at sites in Japan). Corrective action was completed in all cases without delay, and after a follow-up check, it was reported to the top management that the management system has been effective in complying with the Taiyo Yuden Group's policies and goals.

Other Audits

On-site inspection of waste disposal contractors (Sites in Japan)

During FY2024, we inspected and audited 34 companies (14 collection, delivery, and intermediate processing companies; and 20 intermediate processing companies). The results showed that all inspected operators are processing and disposing of waste appropriately. The operators have also been classified into three ranks from the results of these inspections, with the frequency of future inspections varying depending on the rank of the operator.

Safety and Environmental Risk Management

05

Various types of regularly scheduled training are implemented to respond to sudden accidents, disasters, and other risks, with the objectives of early discovery, rapid response, prevention and mitigation.
The Taiyo Yuden Group reconfirms appropriate procedures and strives for continuous improvement.

Firefighting Training

Nakanojo Plant
We conducted water hose handling training using outdoor fire hydrants. (July 2024)

FUKUSHIMA TAIYO YUDEN
We conducted fire extinguisher handling training assuming that a fire broke out. (December 2024)

TAIYO YUDEN (SARAWAK)
We conducted fire extinguisher handling training using a powder fire extinguisher. (October 2024)

Emergency Training for Spillage of Chemical Substances

Tamamura Plant
We conducted gutter blocking and collection training assuming that a chemical substance leaked into a gutter. (October 2024)

WAKAYAMA TAIYO YUDEN
We conducted collection training assuming that a chemical substance leaked. (October 2024)

ELNA (MALAYSIA)
We conducted spread prevention training assuming that a chemical substance leaked. (May 2024)

Evacuation and Medical Emergency Training

Takasaki Global Center
We conducted transportation training assuming that injuries occurred during a fire. (December 2024)

TAIYO YUDEN Mobile Technology
We had a simulated experience of a fire and earthquake in a VR disaster experience vehicle with the supervision of the Tokyo Fire Department. (June 2024)

TAIYO YUDEN (PHILIPPINES)
We conducted evacuation drills assuming an earthquake occurred at night. (September 2024)

Removing Soil Contamination

No investigation was conducted in accordance with the Soil Contamination Countermeasures Act.

Environmental Accidents

No accidents that could affect the surrounding environment have occurred.

Measures for Prevention of Fire and Explosion

We have established our own voluntary standard on the three elements of combustion (combustibles, oxygen, and heat sources) as prevention measures for fire and explosion, and we implement measures and conduct management accordingly. In addition, we conduct training on firefighting/evacuation every year in preparation for the breakout of a fire.
No fire or explosion has occurred.

Employee Enrichment through Safety and Environmental Training

06

We provide a variety of training programs covering both general and specialized knowledge to promote employees' awareness of preventing occupational injury and illness, as well as active participation in environmental conservation.

Training Structure

Name		Category	Purpose	Main Subjects
General Training	Training for new recruits	Awareness	Raising new recruits' awareness of occupational health and safety and environmental preservation, and ensuring they understand environmental problems pertinent to companies	General theory of Safety, Health, and Environment/ Status of Safety, Health, and Environment at the Taiyo Yuden Group
	General training		Deepening all employees' understanding of the Taiyo Yuden Group Safety, Health, and Environment Charter and Course of Action, and teaching them the skills to act accordingly	Management system (including the Safety, Health, and Environment Charter) / Mental health
	Workplace training		Understanding potential hazards and environmental impact with regard to divisional health and safety/environmental activities and work	Division activities / Matters for compliance in work
Health & Safety Training	Training for managers, instructors and supervisors	Abilities	Deepening understanding of the role of the duty for employee safety required by legal regulations and teaching foremen skills to instruct their subordinates regarding health and safety.	Role of the General Manager of Health and Safety / Role of management / Role of foreman / Chemical substance management / Hazardous material management
	Training for specialists		Teaching of specialized skills to operators of forklifts, cranes, and other heavy equipment, as well as managers of processes that handle organic solvents and the like, and employees involved in these tasks	Workplace restricted duties / Training for specific tasks / Prevention of static electricity accidents
	Training for risk assessors		Teaching the skills to recognize risks and creating a safe and sanitary workplace	Risk assessment / Health and Safety targets / Cases of Health and Safety improvements / Causes of Health and Safety accidents and their countermeasures
Environmental Training	Training for specialists		Teaching special skills to managers and relevant employees involved with equipment and facilities for which a legal notification is required	Management to prevent deterioration of water quality / Management to prevent air pollution / Waste management
	Specialized training		Training skills to integrate business activities with environmental activities in order to balance an improvement in our environmental impact with improved resource productivity	Chemical substances and their environmental impact / Environmental targets / Cases of environmental improvements / Causes of environmental accidents and their countermeasures

Training Examples

General Training

Holding events related to health and safety

We hold various events related to health and safety at all sites and these events provide opportunities for employees to raise their awareness and develop their abilities. For example, the practical training on safe driving to help employees be newly aware of their car driving skills, the seminar on sleep with the aim of improving the quality of sleep of shift workers, and other training programs were conducted.

The practical training on safe driving to help

The seminar on sleep

Occupational Health and Safety Training

Training of forklifts driving safety

An external instructor was invited to introduce the occurrence of accidents and cases of accidents in Japan to forklift operators and give them training on how to drive and operate forklifts.

Training of forklifts driving safety

Training on safety measures for oxygen deficiency hazard work

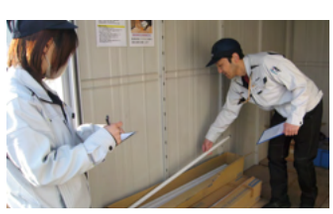
To prevent an oxygen deficiency during oxygen deficiency hazard work, we conducted training on how to monitor oxygen levels and how to wear a self-contained breathing apparatus properly.

Training on safety measures for oxygen deficiency hazard work

Environmental Training

Training for waste management personnels

The training on the classification of waste, the Manifest System and how to manage waste disposal vendors was conducted to promote the proper management of waste.



Training for waste management personnels

Training for wastewater treatment facility managers wastewater

The training on the wastewater restriction standards and maintenance of the wasterwater treatment control system including on-site practice was conducted for the wasterwater treatment facility managers.

Training for wastewater treatment facility managers

Environmental Accounting

07

We promote efficient environmental management by introducing environmental accounting to clarify the expenses incurred by our sites in Japan for their environmental protection activities.

Environment Maintenance Costs

Type of cost		Expenses (million yen)	Investment (million yen)	Main items
Business unit area costs		2,118	898	
Breakdown	Pollution prevention	1,016	11	Monitoring and measurement of atmosphere, water quality, noise, vibration, and soil; preparations for and responses to emergencies
	Conservation of global environment	45	24	Ozone depleting substance emission reduction, water quality improvement, exhaust gas purification, resource conservation
	Cost for global warming prevention	606	770	Greenhouse gas emission reduction, energy conservation
	Resource recycling costs	451	93	Waste management, and outsourcing of waste treatment; reduction of waste; recycling
Upstream / downstream business activities		10	–	Activities to improve the environmental impact of products, green procurement
Management activity costs		575	–	Building and operating an EMS; surveillance audits; environmental training; costs for operating secretariat; department operations costs
R&D		167	–	R&D costs to improve the environmental impact of product processes etc.
Social activities		21	–	Donations to environmental groups; participation in communities' global environmental preservation events
Response to environmental damage		0	–	
Total		2,891	898	

Environment Maintenance Effectiveness

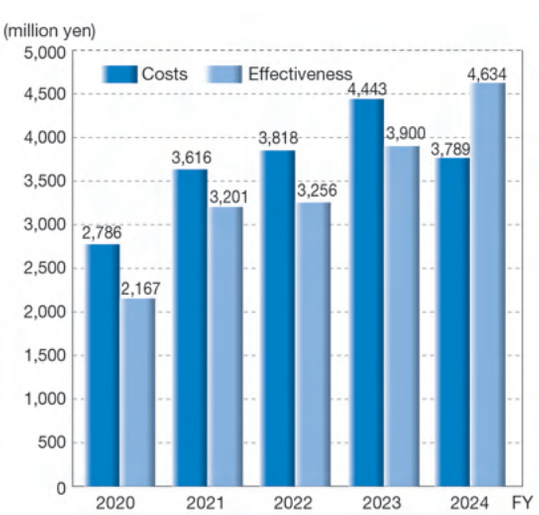
We calculate the economic effects only for those activities clearly improving our environmental impact.

Type of effectiveness	Economic effect (million yen)	Effects on amounts*	Main items
Energy saving	723	10,791kL	Improvement in productivity; improvement in energy management method
Conservation of resources	41	3,117t	Reduction of the amount of materials and resources used
Reduction in waste, and recycling	3,870	7,900t	Improvement in recycling rate
Total	4,634		

*"Effects on amounts" indicate the calculated difference with the case where no activities are conducted to improve our environmental impact.

* No penalties related to the environment have been paid.

Trends in Environmental Accounting



Environmental Accounting Standards

1. The sum total of the costs for complying with environment-related laws and regulations, the costs incurred purely for the purpose of improving our environmental impact, and the EMS operation costs are calculated. However, in cases where environmental preservation costs partially overlap the costs for other purposes, the latter shall be deducted and the balance shall be applied.
2. Depreciation costs shall be the current fiscal year's depreciation expenses at the environmental conservation facilities.
3. If a clear-cut distinction cannot be made between the environmental cost and that for other purposes, if 50% or more of the content is environment-related, the full amount can be counted as the environmental preservation cost.
4. The cost-effectiveness by saving energy is yielded from the reduction of either the rated dissipation or the operating time or both.
5. The cost-effectiveness by reducing and recycling waste is calculated as follows:

Lowered costs through reducing waste and recycling =
[Unit cost of waste treatment in the prior fiscal year (JP¥/ton) – Unit cost of waste treatment in this fiscal year (JP¥/ton)] × Amount of waste generated (tons)

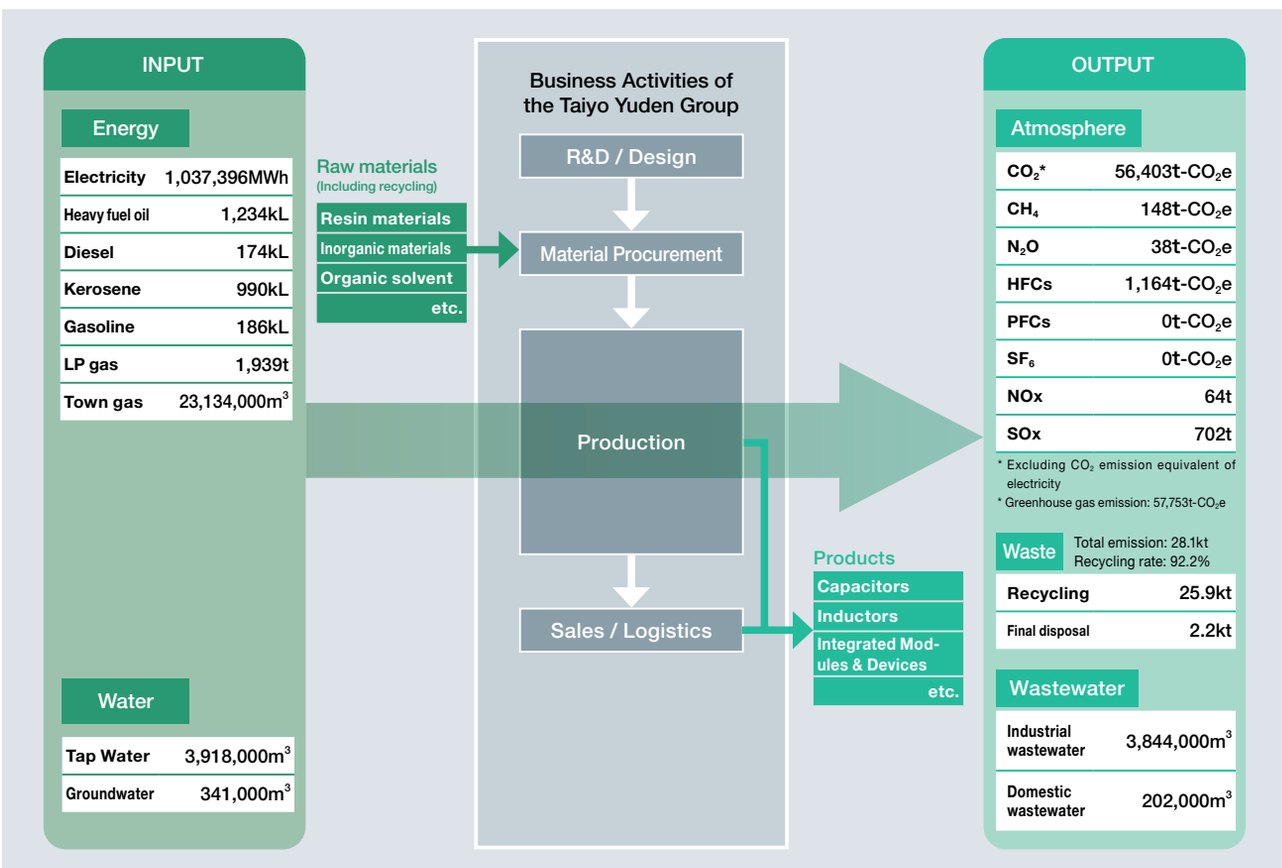
Determining Environmental Impact of Corporate Activities

08

Detailed understanding and analysis of the environmental impact of corporate activities is a prerequisite to devising various measures to improve this.

Material Balance

The Taiyo Yuden Group 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. The bulk is during production, with the main environmental impact arising from energy and water consumption, emissions (including CO_2) in the course of manufacture, waste and wastewater. The Taiyo Yuden Group 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. The Taiyo Yuden Group products are used in electrical and electronic equipment, automobiles, and other products which become waste once their product lifetime is over. We are therefore also striving to remove hazardous substances from these products.



Reasons for Changes from FY2023

In FY2024, the amount of electricity, kerosene, and town gas used increased because of the increase in production.

Achievement Levels for Medium-Term Environmental Targets

09

We set medium-term environmental targets for the Group, and all sites pursue environment impact improvement.

Taiyo Yuden Group Environmental Targets and Results

"Strengthening responses to climate change" and "efficiently using resources and helping to build a recycling-based society" have been set as the materialities of 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 re-using the energy that drives our manufacturing based on the principle of decarbonization.
To reduce the absolute value of GHG emissions, we have set target values in accordance with the 1.5°C SBT (Science Based Targets), and they have been approved by the SBTi as the Near-Term Targets.

Medium-Term Environmental Targets			Performance
Prevention of global warming	Global	GHG absolute emissions Reduction by 42% in FY2030 * compared to FY2020	Reduction of 20.9% in FY2024
Biodiversity conservation Effective use of resources by reducing consumption	Global	Intensity waste generation (Production output) Reduction by 10% in FY2025 * compared to FY2020	Reduction of 0.3% in FY2024
		Intensity water use (Production output) Reduction by 10% in FY2025 * compared to FY2020	Reduction of 10.2% in FY2024
Biodiversity conservation Cyclic use of resources by reuse and recycling	Japan	Waste final disposal volume rate 0.1% annually	0.0% in FY2024
	Outside Japan	Waste final disposal volume rate 12% annually	13.4% in FY2024
Biodiversity conservation Nature conservation activities in local areas	Global	Continue nature conservation activities in local areas (such as forests)	Continued afforestation, forest maintenance, extermination of non-native species, etc.
Environmental risk management	Global	Compliance with applicable environmental laws and regulations	Complied with all applicable laws and regulations
		Maintain zero accidents that affect the ecosystem and carry out ongoing training	Maintained zero accidents that affect the ecosystem and conducted periodic emergency training
Contribution through environmentally friendly products	Global	Development of smart products	Continued development of smart products, which reduce environmental impact through downsizing, etc.
		Regulatory compliance for chemicals contained in products (RoHS, ELV, REACH)	Complied with regulations for chemicals contained in products

Curbing Global Warming 2-1

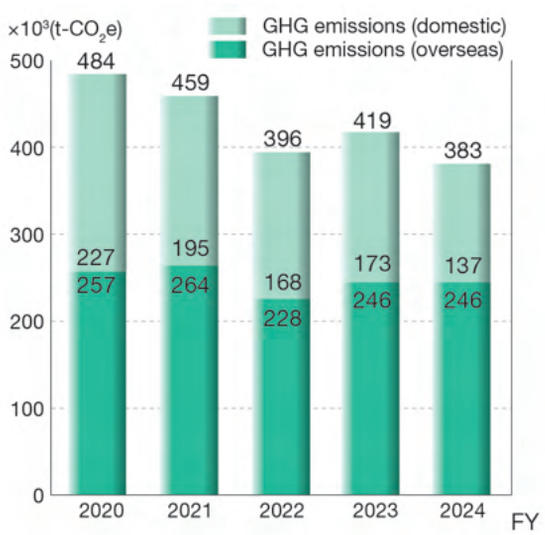
There are three categories for greenhouse gases (GHG) emitted during the course of business activities: direct emissions from energy use (Scope1), indirect emissions from energy use (Scope2) and indirect emissions from sources other than energy use (Scope3). We concentrate on managing and reducing energy consumption.

Results of Efforts to Reduce Greenhouse Gases and Energy Consumption

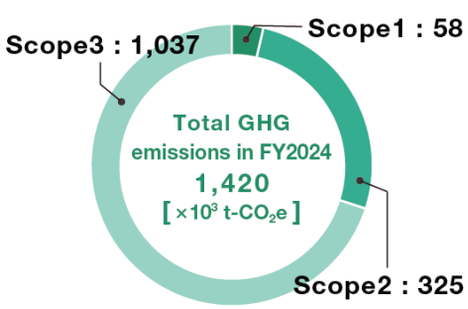
In FY2024, the GHG emissions by the entire group decreased by 36,000 t-CO_2e compared to FY2023. Specifically, the emissions by the sites in Japan decreased from 173,000 t-CO_2e in FY2023 to 137,000 t-CO_2e, and those by the overseas sites remained the same as in FY2023 at 246,000 t-CO_2e (see G1).
The amount of energy used by the entire group was 273,000 kL (crude oil equivalent).
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.

*As our targets were approved as the SBT, we recalculated the emissions in and after FY2020.

G1: GHG Emissions (calculated from total energy consumption)



	GHG Emissions (×10³ t-CO_2e)
Scope1	58
Scope2	325



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 Scope3 emissions, we started engagement with our suppliers.

Category		Emissions (×10³ t-CO_2e)	Remarks
category1	Purchased Goods and Services	683	
category2	Capital goods	158	
category3	Fuel- and energyrelated activities (not included in scope1 or scope2)	102	
category4	Upstream transportation and distribution	49	
category5	Waste generated in operations	13	
category6	Business travel	4	
category7	Employee commuting	19	
category8	Upstream leased assets	0	Included in Scope2

Category		Emissions (×10³ t-CO_2e)	Remarks
category9	Transportation and delivery (downstream)	2	
category10	Processing of sold products	7	
category11	Use of sold products	Not applicable	
category12	End-of-life treatment of sold products	0.1	
category13	Leased assets (downstream)	Not applicable	
category14	Franchise	Not applicable	
category15	Investments	Not applicable	
Total		1,037	

Curbing Global Warming 2-2

Reducing Greenhouse Gas Emissions

Efforts to save energy

Reduction of energy consumption by refrigeration machines and air conditioners [TAIYO YUDEN Mobile Technology / ELNA (THAILAND)]

As various pieces of infrastructure equipment are operated to maintain the operation of production equipment and the working environment, we make various efforts to improve their efficiency. We changed refrigeration machines at TAIYO YUDEN Mobile Technology and air conditioners at ELNA (THAILAND) from the fixed speed type to the invertor type, which enabled us to efficiently control their operation in accordance with the status of operation of the plants and reduce electricity consumption.
We reduced GHG emissions by 2,106 tons -CO_2e per year.


Refrigeration machine

Reduction of GHG emissions by utilizing waste heat from compressors [TAIYO YUDEN (GUANGDONG)]

Efforts to use energy in the production process with no waste are being promoted at our plants. TAIYO YUDEN (GUANGDONG) introduced the heat collection system that collected compression heat from compressors as waste heat. By generating warm water using collected waste heat and supplying it to the boiler, fuel consumption by the boiler was reduced.
We reduced GHG emissions by 226 tons -CO_2e per year.


Heat collection system

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 sute, Hongo Photovoltaic Power Plant in FY2013, others have been built as well, and there are currently 13 powergenerating sites in Japan and overseas.We installed solar panels at 3 sites in FY2024.


R&D Center


Hongo Photovoltaic Power Plant


TAIYO YUDEN CHEMICAL TECHNOLOGY


FUKUSHIMA TAIYO YUDEN


WAKAYAMA TAIYO YUDEN


TAIYO YUDEN Mobile Technology


Sun Vertex


Elna Shirakawa Photovoltaic Power Plant


KOREA KYONG NAM TAIYO YUDEN


TAIYO YUDEN (CHANGZHOU)


TAIYO YUDEN (SARAWAK)


TAIYO YUDEN (PHILIPPINES)


ELNA (MALAYSIA)

Efforts to utilize renewable energy

The Taiyo Yuden Group has been expanding the use of renewable energy. We transformed electricity supply to R&D Center and Sun Vertex to 100% renewable energy by installing photovoltaic facilities on the premises and switching to energy creation and electricity from renewable energy.

Efforts to Address Climate Change 4-1

In response to the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), we are proceeding with a scenario analysis of the risks and opportunities that climate change issues pose to society and business, and consider business strategies based on the results.

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. As we aim to improve our corporate value with a focus on both economic value and social value based on our Medium-term Management Plan 2025. we consider that strengthening the measures to respond to climate change is one of the most important business challenges.
While we promote manufacturing based on the decarbonization concept to achieve carbon neutrality in order to tackle the global issue of climate change, we have set the medium-term target of reducing GHG emissions by 42% compared to FY2020 by FY2030 based on the 1.5°c SBT, and it was approved by the SBTi as the Near-Term Target in FY2024. To achieve the target, we thoroughly promote energy saving, energy creation, and the utilization of renewable energy.
We aim to contribute to the achievement of the international goals set forth in the SDGs and the Paris Agreement through collaboration with a wide range of stakeholders.
We also recognize the importance of climate-related financial information disclosure, endorse the TCFD, and are enhancing information disclosure in accordance with the TCFD recommendations.

Governance

We recognize climate change as one of the important management issues and aim to promote activities for sustainability issues through business activities throughout the company, and since FY2021, we have held the Sustainability Committee (four times a year) chaired by the President and Chief Executive Officer.
In addition, there are directors who have expertise and experience in ESG and sustainability on the Board of Directors.
The Environmental Promotion Committee, a sub-committee of the Sustainability Committee sets quantitative targets for climate change and monitors the status of achievement.
If the targets are not achieved or may not be achieved, the Environmental Promotion Committee needs to investigate the cause and take corrective measures for improvement. The deliberations and decisions by the Environmental Promotion Committee are reported to the Sustainability Committee, which is its superior committee.

Strategy

1 Identification of risks and opportunities

In order to identify climate-related risks and opportunities that affect our business, we used climate scenarios such as the IEA and the IPCC to identify them, qualitatively evaluated their characteristics, and conducted scenario analysis.

Division	Assumed event	Climate-related risks and opportunities	Degree of financial impact (Profit basis)	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	Opportunities	Acceleration of xEV shift	Increasing in sales of electronic components for the electric vehicle market due to the global shift to xEVs	Major
	Strengthening environment-related regulations	Increasing of costs for measures due to strengthening of GHG emission reduction targets and energy efficiency improvement targets	Medium		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
		Increasing of costs due to compliance with domestic and overseas environmental regulations	Medium		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
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		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 1.5billion to 6 billion; Major=JPY 6 billion or more

Efforts to Address Climate Change 4-2

2 Setting the scenario analysis theme

We 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℃ scenario	4℃ scenario
Key reference scenarios*1	NZE (Net Zero Emissions by 2050 Scenario)	STEPS (Stated Policies Scenario)
View of the world	●A world where CO_2 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).	●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.
	●As each country shifts to renewable energy, prices of fossil resources tend to decrease.	●As each country depends on fossil resources, prices of fossil resources tends to rise.

*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

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, https://doi.org/10.5194/essd-13-5087-2021, 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 component business	Impact of the global spread of electric vehicles on the sales of electronic components for the automotive market

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)

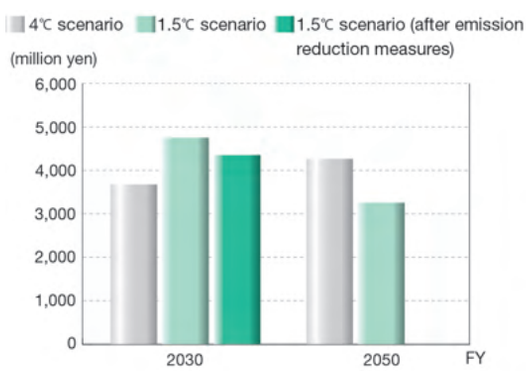
Efforts to Address Climate Change 4-3

3 Scenario analysis results

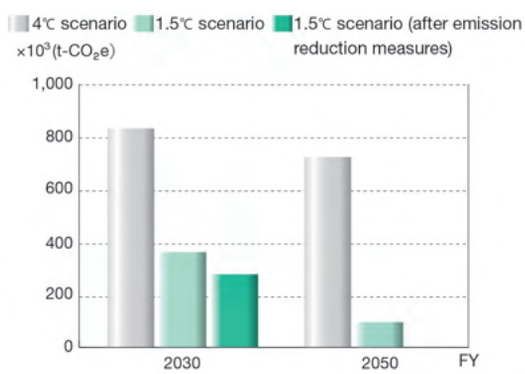
■Transition risks: Financial impact of introducing carbon prices on operating costs

Risk	Impact of carbon prices on operating costs in 2030 and 2050
Our climate scenario analysis prerequisites	Assuming that a carbon price of approximately 19,600 yen will be imposed on each ton of GHG emissions in 2030 and approximately 35,100 yen in 2050, we forecast the impacts of carbon prices.Carbon prices are set based on (IEA World Energy Outlook 2024 (Net Zero Emissions by 2050 Scenario,Stated Policies Scenario).
Analysis result	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 3.3 billion yen as of 2030 and by 400 million 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 the power is 100% renewable energy, the remaining Scope1 emissions in the 1.5°C scenario will be 100,000 t-CO_2 (see G2), and the impact of the carbon price will be about 3.3 billion yen.
Strategy	In order to reduce energy consumption, we believe that it is necessary to improve production efficiency by reviewing our production processes, focusing on our core products, along with promoting the introduction of renewable energy. In addition, we plan to consider measures to reduce the remaining Scope1 emissions toward the achievement of carbon neutrality.

G1：Carbon price effect



G2：GHG emissions trends



■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	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. Regarding floodings, 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.
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.

Flood risk	Number of Sites Rated as Major Hazard (Grade A)					Storm Surges risk	Number of Sites Rated as Major Hazard (Grade A)				
	2005	2050		2085			2010	2050		2090	
	-	RCP2.6	RCP8.5	RCP2.6	RCP8.5		-	RCP2.6	RCP8.5	RCP2.6	RCP8.5
Japan (17 sites)	1 site	1 site	1 site	1 site	1 site	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	Outside Japan (7 sites)	0 site	0 site	0 site	0 site	0 site

Efforts to Address Climate Change 4-4

Risk management

Regarding climate-related risks, we assign Executive Operating Officer who is a responsible director of safety and environment, reports and deliberates these issues at the 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

The Taiyo Yuden Group 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℃ scenario, to contribute to the global initiatives to limit the temperature rise to 1.5℃. 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 the energy-saving measures and photovoltaic facilities. We switch power consumption to 100% renewable energy at the two domestic sites in FY2024, and plan to further reduce our GHG emissions by expanding 100% renewable energy sites and taking other measures.
Please refer to page 10 for changes in GHG emissions.

Target

The GHG emission reduction targets the Taiyo Yuden Group set have been accepted as the targets based on scientific evidence and approved by the SBTi, an international initiative, as the SBT.
The approved GHG emissions reduction targets of the Taiyo Yuden Group are shown below.

Scope1+2	Reduction of 42% in FY2030 (compared to FY2020)
Scope3 (Category 1 and 3)	Reduction of 25% in FY2030 (compared to FY2021)

The Taiyo Yuden Group was selected by CDP*, an international environmental nonprofit organization, as an A List company, earning the highest rating for its outstanding transparency and leadership in performance in the field of climate change for the third consecutive year.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

External Assessment of Climate Change Information Disclosure

The Taiyo Yuden Group was selected by CDP*, an international environmental nonprofit organization, as an A List company, earning the highest rating for its outstanding transparency and leadership in performance in the field of climate change for the third consecutive year.

Climate CDP A List 2024

* 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.

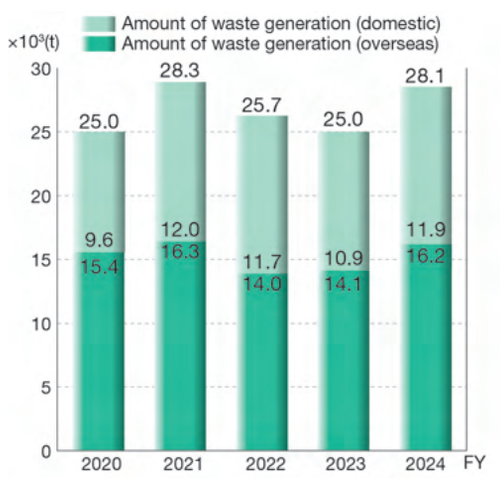
Reducing Waste / Preserving Water Resources 2-1

We strive to reduce environmental effect on biodiversity while coexisting with nature, and we use the 3Rs (reduce, reuse, recycle) to reduce waste and make effective use of water resources.

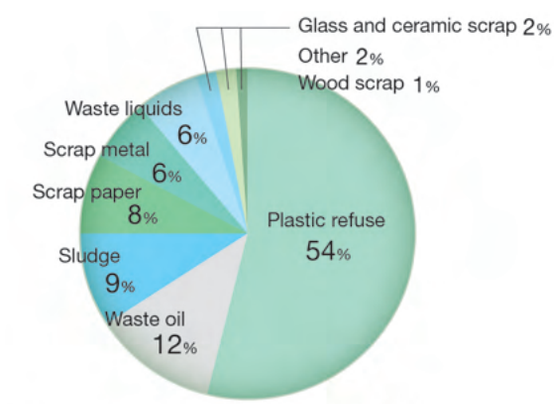
Results of Reducing Waste

The amount of waste generated in FY2024 by the entire group increased to 28,100 tons from 25,000 tons in FY2023 (see G1).
The waste (including valuables) mainly consists of waste plastic, waste oil, and sludge (see G2).
The domestic final disposal volume remained the same as in FY2023 at 0 tons. The waste recycling rate reached 100% (see G3).
The overseas final disposal volume was increased to 2,200 tons from 2,000 tons in FY2023 (see G4).
We will continue working to reduce waste volumes, boost in-house recycling rates, and recycle waste into resources at our overseas sites.
*As the definition of waste was reviewed, we recalculated the amount of waste generated.

G1: Amount of Waste Generation

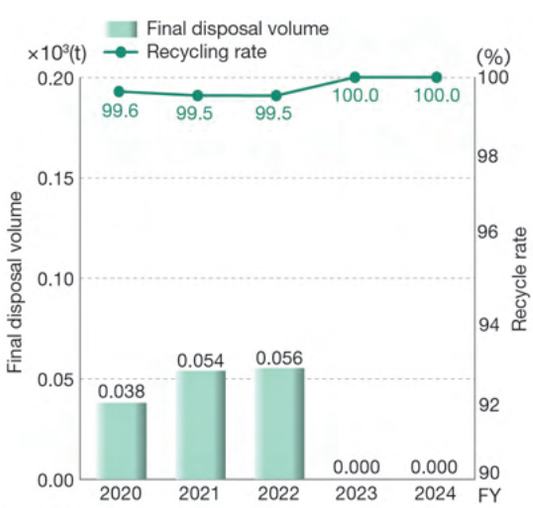


G2: Breakdown of Waste

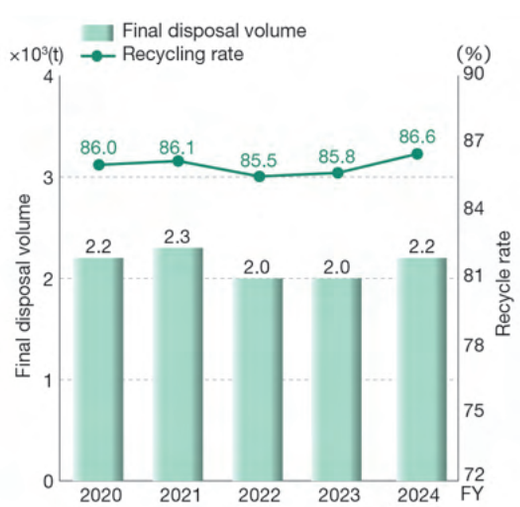


Definition of waste: general waste, industrial waste, and items having resale value.
(Excluding those that are recycled and reused by Taiyo Yuden)

G3: Domestic Final Disposal Volumes and Recycling Rates



G4: Overseas Final Disposal Volumes and Recycling Rates



Reducing Waste / Preserving Water Resources 2-2

Reduction in Waste Generation

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.

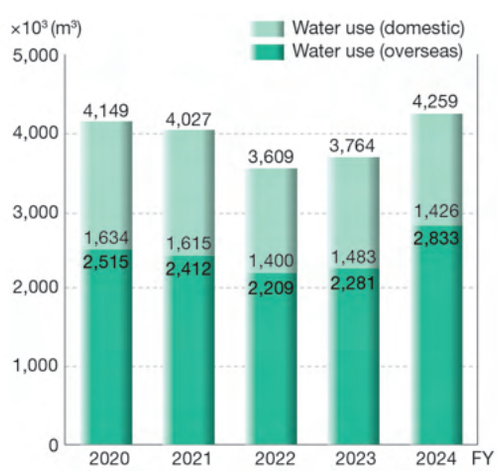
Resource Recycling Efforts

92% of the waste generated through our business activities is recycled and reused as resources in society. However, we are also promoting efforts to reuse waste for the Taiyo Yuden Group's own business activities.
For solvent A, which is the most frequently used solvent in our business, 46% of the amount used is recycled waste solvent.
In addition, for reels that are used in packaging electronic parts, strict quality checks are performed and 1.4% of all the reels are recycled reels.

Results of Water Resource Efforts

The amount of water used by the entire group increased from 3,764,000 m^3 in FY2023 to 4,259,000 m^3 in FY2024. Specifically, the amount of water used by the sites in Japan decreased from 1,483,000 m^3 in FY2023 to 1,426,000 m^3 and those by the overseas sites increased from 2,281,000m^3 in FY2023 to 2,833 ,000 m^3 (see G5).
The quantity of water withdrawals was 3,918,000 m^3 from municipal water supplies (or other water supply facilities), and 341,000 m^3 from freshwater and underground water.
The quantity of water recycled was 648,000 m^3.

G5: Water Use



Breakdown of water withdrawals

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

Reducing Water Use

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.

Appropriate Management of Chemical Substances

To ward off environment contamination with chemicals and adverse effects on human health, we have banned the use of forbidden substances, implemented a chemical management framework, and are working on reducing emission volumes.

Chemical Management Framework

The Taiyo Yuden Group has its own standards in place for chemical substance management, which define chemical substances that must not be used, must only be used in limited situations, and must be managed.

Target Chemicals

Prohibited substances	Cadmium, compounds containing cadmium, mercury, compounds containing mercury, hexavalent chromium compounds, etc.
Substances to be restricted	Lead in ceramic/glass frit and piezoelectric bodies, tetrabromobisphenol A (TBBPA), polycyclic aromatic hydrocarbons (PAHs), and so on.
Substances to be managed	Toluene, REACH SVHC (substance of very high concern), xylene, etc.

PRTR Law Compliance

In order to reduce the risks that chemicals impose on the environment, the Taiyo Yuden Group reports to the government the amounts of chemicals released to the environment (air, water, and soil), and waste chemicals transported and recycled under the Japanese Law for Pollutant Release and Transfer Register (PRTR). The government publishes the records and a database of these quantities making them widely available to members of the general public.

PRTR Restricted Substances

Management No.	Chemical Substance Name	Emission (ton/year)	Amount Transferred (ton/year)	Amount Recycled (ton/year)
82	Silver and its water-soluble compounds	0.0	4.1	4.9
87	Chromium and trivalent chromium compounds	0.0	1.2	0.1
300	Toluene	34.5	22.7	32.2
308	Nickel	0.2	3.7	100.5
309	Nickel compounds	0.7	5.1	9.9
405	Boron compound	0.3	0.5	0.0
438	Methylnaphthalene	0.1	0.0	0.0

Note: Target chemical substances and their incoming amount shown refer to substances for which their incoming amount exceeds 1 ton in compliance with the PRTR Law.
Emission: This refers to the total emission into the atmosphere, water, and soil.
Amount Transferred: This refers to the amount whose disposal is outsourced to an industrial waste contractor outside the business facility concerned.

Ozone-depleting Substances

We do not use ozone-depleting substances in our production processes. Although we use HCFC as a coolant in air conditioners and other equipment, we carry out appropriate collection and disposal.

Achievement Levels for Medium-Term Occupational Health and Safety Targets

All employees participate in health and safety efforts based on the Fundamental Principle of Health and Safety outlined in the Taiyo Yuden Group Safety and Environment Charter and implemented according to the Occupational Health and Safety Management System (OHSMS).

Fundamental Principle of Health and Safety, and Targets

In order to realize our health and safety philosophy of “creating a workplace where employees can work without anxiety,” the Taiyo Yuden Group has drawn up group-wide medium-term plans. The medium-term plan is set to prevent industrial accidents by clarifying action targets for each 5Ms (Man, Machine, Method, Material, Measurement) and by setting a target incidence rate of injuries and illness for numerically evaluating the result of such efforts.

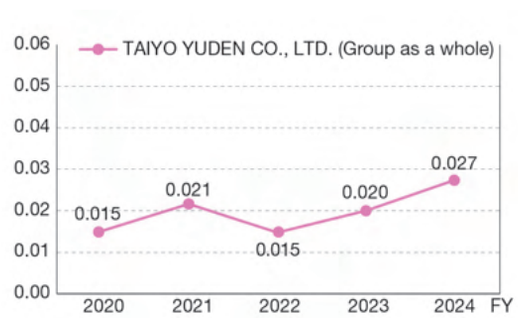
Principle of Health & Safety	In order to ensure the well-being of our workers, who are an important resource of the company, we shall pursue workplaces which always maintain safety and where employees can work in confidence while maintaining the health of our workers.
Medium-term Plan	Taiyo Yuden Group Occupational Health and Safety Management Plan

5Ms for Medium-term Targets		FY2025 Targets	FY2024 Performance
Man	• Intensive basic training and fostering “Awareness of safe behavior”	Incidence rate of injuries and illness: less than 0.016	Incidence rate of injuries and illness: 0.027
Machine	• Enhancing the level of facility safety design for designers		
Method	• Safe work without inconsistencies	Accident Frequency Rate: less than 0.08	Accident Frequency Rate: 0.13
Material	• Minimization of toxicity and danger of chemical substances		
Measurement	• Strengthening of checking system		

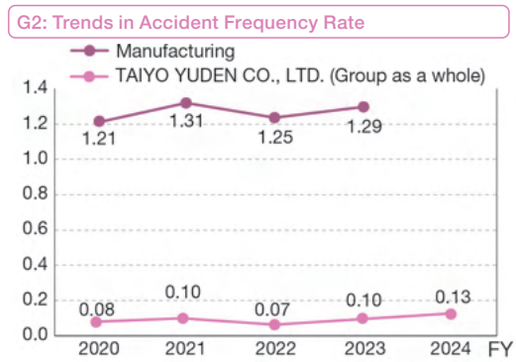
FY2024 Work-related Accidents and Safety Indicators

In FY2024, the incidence rate of injuries and illness for the entire group was 0.027 (see G1), the accident frequency rate was 0.13(see G2), and the danger rate was 0.0053.
Seven accidents that require time off from work* have occurred, and no fatal accidents have occurred.
*One day off or more

G1: Trends in incidence rate of injuries and illness



G2: Trends in Accident Frequency Rate



Incidence rate of injuries and illness = (Number of the absentees due to occupational injury (at least one workday lost) + Number of the absentees due to occupational illness (at least one workday lost)) / Total actual number of hours worked by registered workers × 200,000

Accident Frequency Rate = Number of the victims of occupational injury (at least one workday lost) / Total actual number of hours worked by registered workers × 1,000,000

We are promoting countermeasures against occupational injury and illness by conducting risk assessments in all workplaces. We found no workplace with high risks. Going forward, we will continue to conduct activities geared toward achieving zero work-related accidents from the perspective of the 5Ms, based on our medium-term health and safety plan.

Efforts and Status 2-1

Man

Intensive basic training and fostering “Awareness of safe behavior”

To create a safe workplace culture, we are conducting activities to help employees increase their knowledge of health and safety so that they can perform their work with such knowledge in mind.
In FY2024, we worked on the issues identified on the basis of the results of the analysis of the sixth Safety Awareness Survey of the employees working at the sites in Japan and overseas sites. As a result of conducting basic safety training to make all employees reconfirm the rules to follow, promoting the widespread understanding of the course of action set to enable every employee to ensure their safety, and checking employees’ understanding on a continuous basis, it was confirmed in the seventh Safety Awareness Survey that improvements had been made.
We will continue to conduct the Safety Awareness Survey and improve safety awareness of each employee to promote a culture of workplace safety.

Safety awareness raising

Machine

Enhancing the level of facility safety design for designers

With the objective of ensuring our machine safety activities conform to global standards (ISO and IEC), we are reviewing the Safety Standards for Group Machines, which define measures against risks common to production machines to enhance safety measures for them.
In FY2024, we promoted the development of machine designers/persons in charge who have the safety knowledge on safe handling of explosion-proof equipment (SBA-Ex: Safety Basic Assessor in the field of Explosion-proof equipment safety) and reinforced the machine safety system. In addition, we increased the number of machine safety experts (SA: Safety assessor, SSA: Safety Sub Assessor) with the aim of establishing a system to more carefully check machine safety in accordance with the characteristics of each site and have been reinforcing our system continuously.
We will continue our efforts to reduce occupational injuries associated with machines.

Development of SBA-Ex

Method

Safe work without inconsistencies

We are upgrading and reviewing procedures to standardize them and make them safe and consistent so that employees can work more safely.
In FY2024, we improved the workplace safety levels by analyzing the cargo handling operations of loading and unloading, transportation, and receiving and shipping of cargo, verifying and reviewing the risks associated with each operation and measures against them, and standardizing safer methods.
We will continue to strive toward promoting a safe working environment from a common perspective.

Material

Minimization of toxicity and danger of chemical substances

To minimize the hazards and dangers of chemical substances, we are continuously taking measures against risks associated with tasks that require workers to handle chemical substances.
In FY2024, we considered and reviewed the risk assessment method for chemical substances and reassessed each task where chemical substances were handled. Based on the reassessment results, we further improved the management of the working environment and tasks to further reduce risks.
We will continue to work toward minimizing the hazards and dangers of chemical substances.

Measurement

Strengthening of checking system

To provide safe and hygienic workplaces, we are working to raise check levels by upgrading and improving the methods for identifying invisible hazards (or those that have gone unnoticed).
In FY2024, as for the management of the machine safety measures, measures against risks of falling down while moving around, and other measures, we had the safety and health staff members confirm the effectiveness of the measures and give improvement instructions from a professional perspective. In addition, as a result of standardizing the perspectives and assessment methods used at the sites to check the effects of the measures we focused on and implementing the measures after conducting proper assessments, the workplace safety levels were improved.
Going forward, we will continue our efforts to deepen the level of checks to create safe and hygienic workplaces.

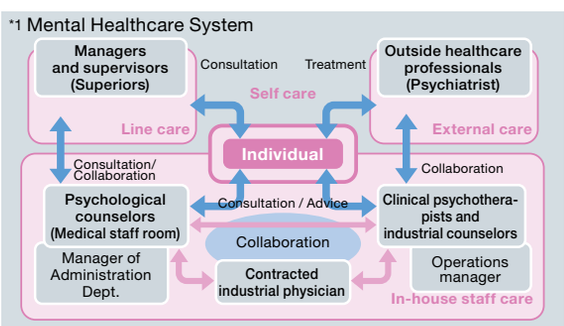
Efforts and Status 2-2

Health

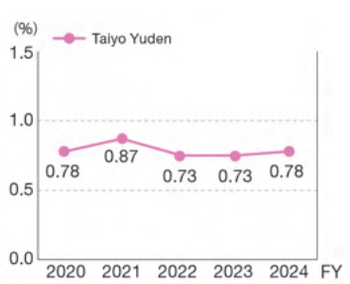
1 Reducing incidences of mental health problems

Taiyo Yuden developed a system*1 to reduce the number of employees with mental health problems and are making efforts to prevent mental health problems.
In addition to conducting statutory stress checks using the new Occupational Stress Simple Questionnaire, we also conduct surveys on work engagement*2 and the harassment rate in the organization.
Specifically, as part of the approach to individuals, we made efforts to prevent mental health problems by holding interviews with new employees and mid-career hires whose living environments had changed and employees who were suspected of being at high risk of mental health problems and by conducting the stress check on and recommending counseling to employees assigned overseas. As part of the organizational approach, we provided feedback on the results of the group analysis of the stress check results to the persons in charge of each department and implemented the measures to improve the workplace environment in order to enhance psychological safety,*3 such as the implementation of line care training, efforts to promote communication, and horizontal deployment of best practices.
The incidence rate was 0.78%, a slight increase compared with that of previous year (see G1).
We will continue to enhance training, work closely with industrial physicians, psychiatrists, and industrial counselors, and work on mental health care so that all employees can work with peace of mind and motivation.

*1 Mental Healthcare System



G1 : Incidence rate



*2 Work engagement is the condition in which employees gain energy from their work and are proud of the work they do, and so are able to work with vigor.
*3 Refers to the state where you can speak your thoughts and feelings to anyone in the organization with confidence.

2 Establishing a healthy lifestyle

Under the management philosophy, “Employee Well-Being,” Taiyo Yuden is committed to health management in order to create a foundation for safe and secure work, create an organization where employees work with motivation, and contribute to the improvement of productivity and creativity. To advance these activities, we have set health indicators (Focus 5: food, nonsmoking, exercise, sleep, and stress), established targets, and have been working on specific health measures to achieve these targets.
In FY2024, we implemented measures with a special focus on the sleep of shift workers on which many issues had been identified based on the results of the questionnaire survey of the employees. As shift workers tended to have sleep problems due to their shifts, we held a seminar to enable them to acquire the knowledge necessary to have good sleep even in such an environment and practice what they learned. As part of the food measures, we conducted vegetable intake measurements to visualize vegetable intake with the aim of enabling employees to review their diet and provided guidance to them based on the measurement results in order to give them opportunities to reconsider their daily diet.
As part of the exercise measures, we provided instructions on proper walking form and held the walking event hosted by the Health Insurance Society just like last year.
In terms of external recognition, we were certified as a Health and Productivity Management Organization 2025 -White 500-*4 and Sports Yell Company 2025*5 for the fifth consecutive year.
We will continue to promote the development of a work environment where our employees can work with vigor while staying healthy both mentally and physically.

Health & Productivity Management Outstanding Organization 2025 (White 500)

Sports Yell Company 2025

*4: The recognition system that evaluates the status of health and productivity management recommended by the Ministry of Economy, Trade and Industry
*5: The recognition system of the Japan Sports Agency