

Feature

Addressing risks in the supply chain



Procurement



Production



Logistics



Sales & marketing

In 2008, TAIYO YUDEN formulated its business continuity plan (BCP) premised on the spread of a global pandemic. While adding enhancements along the way, this BCP is still in effect today. Put to the test in the early 2000s with the incidence of such global pandemics as severe acute respiratory syndrome (SARS), TAIYO YUDEN has worked diligently with the aim of strengthening its system of business continuity. Raging unabated since 2020, we have endeavored to address the novel coronavirus (COVID-19) by revising our BCP. In applying our accumulated experience and knowledge, every effort has been made to strengthen our response to risks in our supply chain.

Formulate and implement measures to address business continuity risks*1

Initiatives to present

- Promote and support the formulation of a BCP for materials and parts suppliers with the aim of stabilizing procurement
- Secure materials and parts inventory

- Boost production capabilities
- Promote productivity improvement activities, the "smart.E" project, carry out measures that aim to build a borderless production system
- Stockpile masks and other items as countermeasures to protect against infection based on incidents of infection outbreaks up until present

- Introduce internally developed warehouse systems to streamline and reduce manpower requirements for warehouse management tasks
- Consider and implement an appropriate balance between air and sea routes, based on the concept of decarbonization

- Flexibly acted to meet customer needs based on face-to-face business talk

Risks attributable to the effects of COVID-19

- Tight supply of materials and parts due to stagnating flows of people and logistics

- Impact on operations due to restrictions in the flow of people
 - Operating restrictions due to administrative orders
 - Suspension of production on account of the outbreak of infection at production frontlines
 - Increasing difficulties on securing labor

- Lack of international transportation capabilities due to decreased number of international flights and maritime shipping container shortage
 - Increasingly unstable transportation
 - Prolonged transportation lead times
 - Soaring transportation costs

- In line with restrictions on going out in each region and overseas travel regulations, customer visits and exhibitions have been cancelled, and sales activities were limited on account of reduced opportunity for face-to-face business talk

Organize the Business Continuity Planning Committee, consolidate Companywide information, and consider measures and provide instructions*2

Response measures

- Identify and understand restrictions around the world, and confirm the impact on the supply of materials and parts in a timely manner

- Continue production activities through the thorough implementation of infection prevention measures
 - Manage the health of employees on a daily basis
 - Ensure the three Cs (avoiding closed spaces, crowds and close contact)
 - Promote the sanitization of hands, fingers and objects
- Continue to advance the "smart.E" project

- Strengthen countermeasures against logistics instability
 - Secure alternate distribution routes
 - Secure multiple modes of transportation

- Put in place an environment that enables telework and limit office attendance to secure employee safety
- Take advantage of online meetings to maintain the same level of communication, internally and with customers, as in normal times

Efforts to strengthen initiatives

- Secure and strengthen multiple procurement routes

- Review and redesign inventory systems for a more stable supply

- Strengthen the logistics management system
- Strengthen cooperation with logistics vendors

- Review and strengthen risk management standards for Sales Department

*1 "Group Business Continuity Regulation" "TAIYO YUDEN Group Reaction Plan for Pandemic Influenza <Preventive Measures for Pandemic Influenza Infection>" formulation, operation, and systematic education and training for business continuity (emergency contacts, initial reaction, recovery drills, etc.)

*2 -Issue daily and weekly reports to share information on government measures at all bases, regional infection status, on-site countermeasures, and so on.
-Create "Workstyle Guidelines," and thoroughly implement infection prevention countermeasures, providing guidance to all bases.