

Human Resources Strategy

Balancing economic and social value with a human resources strategy that takes great care of employee characters and personalities based on an understanding of human resource diversity

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At TAIYO YUDEN, we have outlined employee well-being as one of our management philosophies. We manage our business with an emphasis on people, with work style reforms and diversity also set as themes under the social value KPIs of the medium-term management plan 2025, which was launched in FY2021.

As a manufacturing company that develops and produces products with high quality cutting-edge technologies and materials, the basis for TAIYO YUDEN's human resources strategy is to employ people with the skills needed to support our business and management, and nurture and leverage talent that can contribute to improved corporate value.

We are looking for talent that can promote manufacturing that eliminates muda (wastefulness), mura (inconsistency), and muri (overburdening), which is essential in order to meet skyrocketing demand for electronic components. We also need talent that can boost the quality of our products and services using AI technologies, which will grow and become more prevalent going forward, as well as talent that can lead the global expansion of our business. In order to enable this talent to fulfill our management strategies and innovate to create new value to contribute to society, we carry out human resources development initiatives on an ongoing basis.

We have also set forth the policy of "realizing the richness of employees by taking great care of their characters and personalities based on an understanding of human resource diversity." Based on this policy, we are pushing forward with diversity initiatives and work style reforms.

With regard to diversity, we are first conducting recruitment with the aim of ensuring that 30% or higher of our new graduate intake are women. Diversity does not just refer to gender, it also means preventing discrimination based on race, nationality, age, and other factors. We are also making efforts to hire foreign nationals, especially in technical positions.

In terms of work style reforms, we plan to shift from a "straight-path" human resources system that assumes that everybody wants the same sort of career to a "multi-path" human resources system that enables employees to build the career they want, based on individual skills, motivations, and lifestyles. By letting each and every employee choose the working style that suits them the most, we hope to give them the opportunity to fulfil their potential to the maximum.

And to enable employees to thrive in this way, health is most important factor. At TAIYO YUDEN, we proactively engage in health-oriented management, using initiatives such as banning smoking in the office, with our President also serving as our Chief Healthcare Officer (CHO). The results of these initiatives are demonstrated in third-party praise, such as when we were certified as a Health & Productivity Management Outstanding Organization 2021 (White 500).

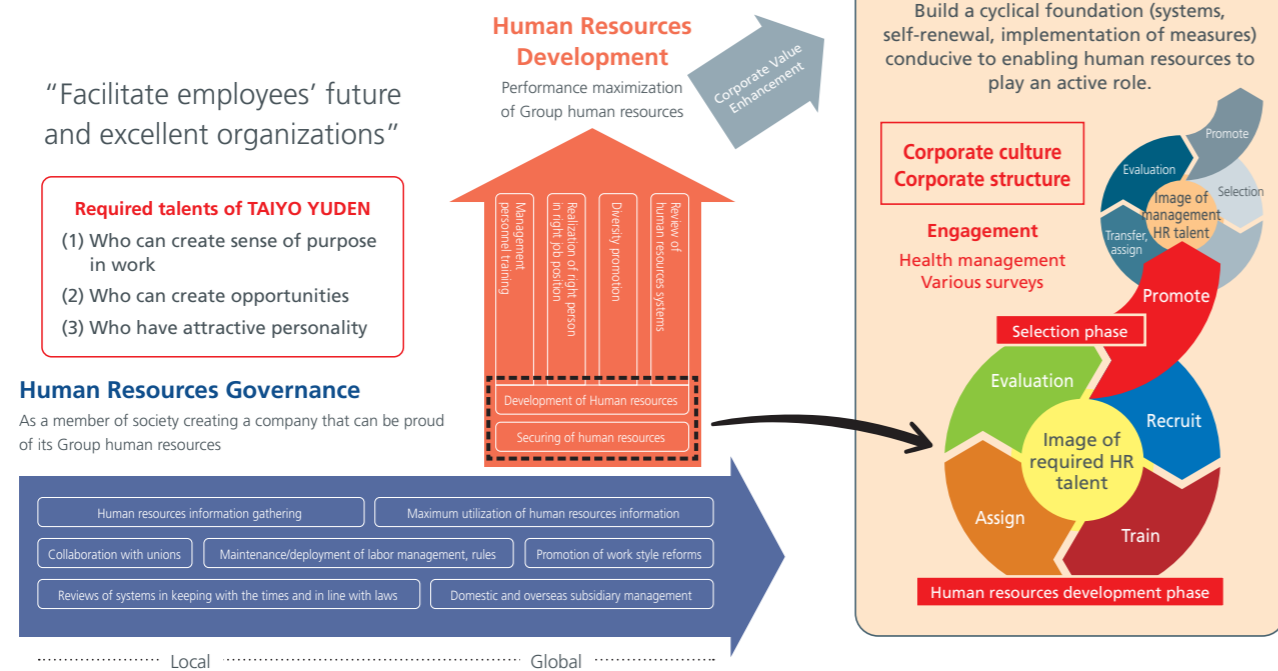
Executing a human resources strategy that enables employees to reach their full potential not only improves our social value, but also the economic value outlined in the medium-term management plan 2025. Going forward, we will continue to improve TAIYO YUDEN's corporate value through appropriate human resources strategy.

Fundamental Stance on Human Resources Strategy

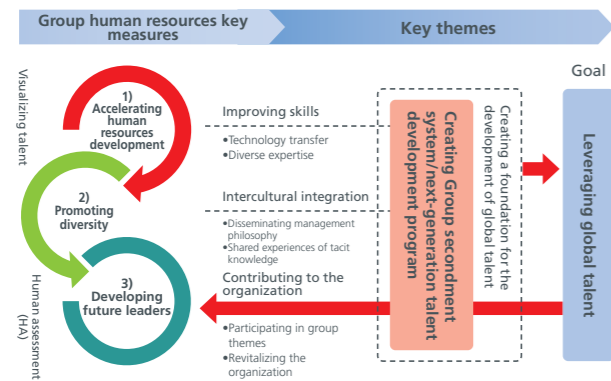
TAIYO YUDEN is striving to realize the richness of employees by taking great care of their characters or personalities with understanding of human resource diversity based on Company foundation philosophy.

Accordingly, we will continue to produce globalize talents who can experience different cultures and realize management strategies, as well as innovative talents who are able to create new values to contribute to society by enhancing their expertise and creativity. Also, to fulfill Human Resources mission of "Facilitate employee's future and excellent organizations," in pursuit of each employee's personal growth as well as enhancement of corporate value creation, we will create an environment where all Group Talents and organizations can play an active role in order to accelerate the development of human resources.

Diagram Showing Human Resources Strategy



Key Measures



1. Accelerating Human Resources Development

We run training programs to further bring out TAIYO YUDEN's strengths and improve on weaknesses.

(Examples)

- Practical statistics training for young employees
- Quality training
- Harassment training

2. Promoting Diversity

Based on our diversity policy, TAIYO YUDEN strives to create an environment where all employees, including young, old,

female, non-Japanese, and those with disabilities, can thrive to their full potential and work energetically.

Diversity Policy/Diversity Promotion Activities
<https://www.yuden.co.jp/or/company/sustainability/society/diversity/>

Topics

On June 25, 2021, TAIYO YUDEN and subsidiary Sun Vertex Co., Ltd. received "Kurumin" recognition from the Ministry of Health, Labour and Welfare as a company that supports child rearing based on the Act on Advancement of Measures to Support Raising Next-Generation Children. We were praised for our environment that enables employees to balance work and private life during big life changes such as giving birth and raising children.



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.

(Examples)

- Next-generation leader training for those in supervisory positions
- Corporate Officer training for Corporate Officers

Work Style Reforms

TAIYO YUDEN strives to create a workplace environment that is easy to work in, with the aim of enabling all our employees to perform to their fullest. We have set annual leave uptake and the ratio of women returning to work after having children as KPIs for this, and we carry out initiatives to boost our progress in these KPIs. A work-from-home system was introduced mainly at offices in the Greater Tokyo Area in

the wake of the COVID-19 pandemic in FY2020, but we are testing a trial of a work-from-home system with an eye to the post-pandemic world. In addition, we have set up a career counseling service to support employees to work vigorously as they turn toward the future, which has received many consultations since its establishment.

Health-Oriented Management

TAIYO YUDEN recognizes the mental and physical health of employees as an important management challenge. To this end, we appointed our President as Chief Healthcare Officer (CHO), and established the "TAIYO YUDEN Group: Health-Oriented Management" declaration in 2019, and promote health-oriented management initiatives. In order to promote strategic and systematic efforts to improve employee health and work engagement, we have established a medium-term health support plan and are working on specific health measures.

TAIYO YUDEN Group: Health-Oriented Management
<https://www.yuden.co.jp/or/company/sustainability/society/HM/>

FY2020 principal measures

- No-smoking rule on all company premises of domestic Group bases
- Seminars (no smoking, exercise, sleep, and women's seminars)
- Physical ability self-checks (awareness of one's actual physical ability)

Human Resources-Related Data (TAIYO YUDEN CO., LTD. full-time employees)

	FY 2019	FY 2020	FY 2021	
Percentage of management positions occupied by women (as of April 1)	2.0%	2.8%	2.8%	To create an environment where many motivated women can play active roles, we have formulated and are implementing an Action Plan for Women's Empowerment from April 2021 to March 2023.
Number of new graduates hired (as of April 1)	96	101	122	One goal of the medium-term management plan 2025 is a ratio of new graduate women hired of 30% or higher. We are conducting activities toward this goal.
(Breakdown)				
Number of women	35	43	34	
Percentage of women	36%	43%	28%	
Ratio of those taking paid leave (as of March 31)	72%	63%	—	So that each and every person can demonstrate his or her performance to the maximum extent, the Company is working to create comfortable work environments.
Ratio of those returning from child care leave (women) (as of March 31)	100%	100%	—	
Average number of years of continuous employment (as of March 31)	18.2	18.8	—	
(Breakdown)				
Men	18.2	18.9	—	
Women	18.3	18.7	—	

Note 1: The ratio of management positions occupied by women is calculated using the number of employees as the denominator.

Note 2: The ratio of those taking paid leave, ratio of those returning from child care leave (women), and average number of years of continuous employment are calculated using the number of registered personnel as the denominator.

For details on Action Plan for Women's Empowerment, see our website.

<https://www.yuden.co.jp/or/company/sustainability/society/diversity/>