

# Value Creation Model

## Megatrends

### Changes in the external environment

- Progress in democratization and generalization of AI
- Rapid spread of 5G
- Evolution of autonomous driving and robotics
- Remote society



### Changes in the macro-environment

- Climate change
- Tightening environmental regulations
- International trade friction
- Threats of natural disaster and infectious disease
- Resource depletion

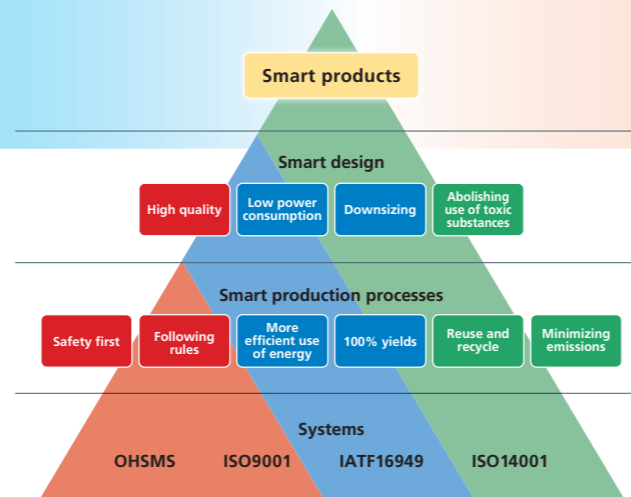
**Mission** | Stronger and more socially aware through the wonders of science  
**Management Philosophy** | Employee well-being, Betterment of local communities, Responsibility to provide returns to shareholders

## Business operations at TAIYO YUDEN

Investment capital (FY2021)	
<b>Financial capital</b>	
Total assets	¥474.5 billion
Equity ratio	63%
<b>Intellectual capital</b>	
R&D expenses	¥13.0 billion
<b>Manufacturing capital</b>	
Number of production bases	18
<b>Human capital</b>	
Number of employees (consolidated)	22,312
<b>Social/related capital</b>	
Number of years since founding	72
Number of years since public listing	52
<b>Natural capital</b>	
Energy (electricity) consumption	954,088 MWh
Water use	4,027,000 m <sup>3</sup>

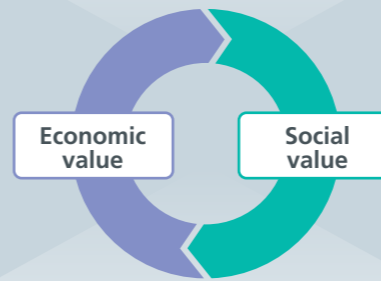
### Leverage from business activities

**Vision**  
 To be an excellent company that enjoys the trust and highest regard from all stakeholders



- Strengthen core technologies to make our core business grow
- Create solutions to solve social issues

### Creating value through business activities



- E** Response to climate change
- S** Achieve health-oriented management and work style reforms at safety first workplace
- G** Improve management quality

## Outcome

### Medium-term management plan 2025

[ Financial ]	
■ Net sales	¥480 billion
■ Operating margin	15% or higher
■ ROE	15% or higher
■ ROIC	10% or higher
[ Non-Financial ]	
GHG emissions	
■ Absolute amount	FY2030 42% reduction (compared with FY2020)
Waste / water usage	
■ Basic unit (sales quantity)	FY2025 10% reduction (compared with FY2020)
Safe & secure workplace / Optimization of group base functions	
■ Creating safe, comfortable and environmental friendly workplaces	
■ Incidence rate of injuries and illness	< 0.016
■ Accident frequency rate	< 0.08
Work style reforms / Diversity	
■ Work engagement	2.5 or higher
■ Rate of newly recruited female graduates	30% or higher
■ Female manager ratio	FY2030 10% or higher