

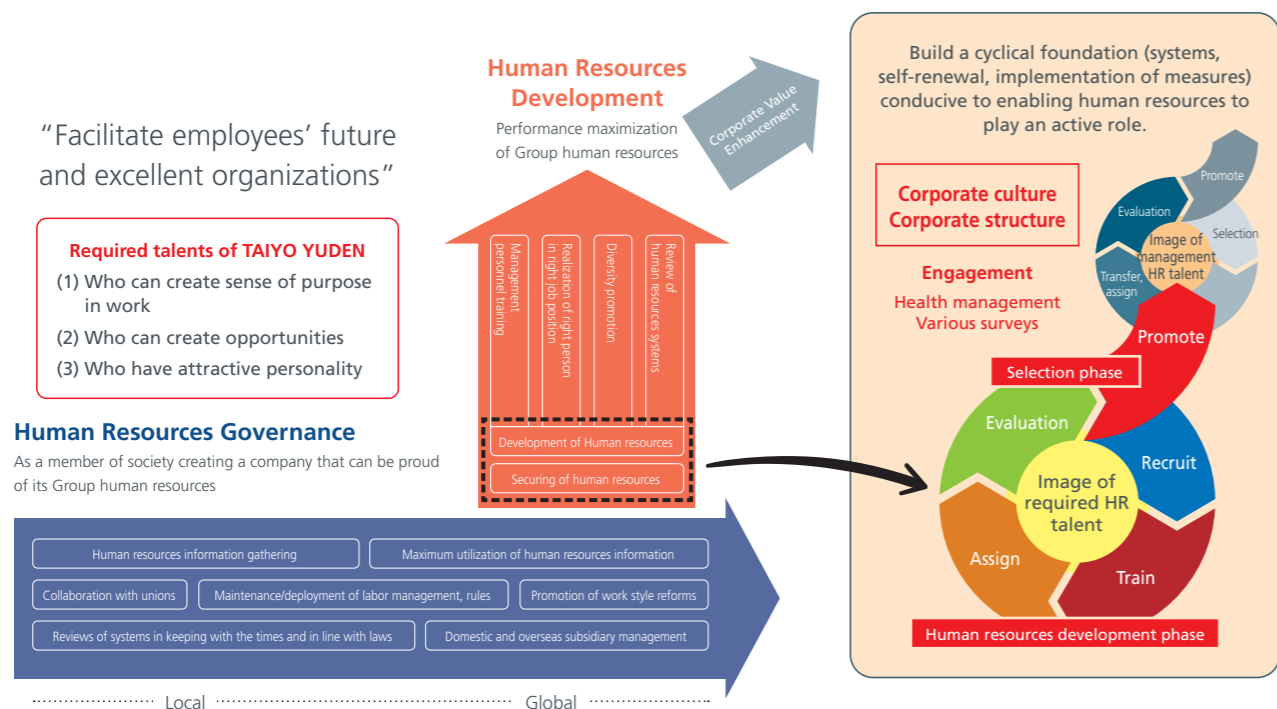
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Human Resources Strategy

Fundamental Stance

In keeping with its founding philosophy, TAIYO YUDEN understands the importance of workforce diversity and encourages individual employees to express their unique character and personality, hoping to help them lead an enriched life. Bearing the above in mind, we build and implement ongoing human resources development strategies, focusing on two areas: globalization skills for implementing management strategies based on experience of different cultures; and innovation capabilities for creating new value to contribute to society by exercising strengthened professional expertise and creativity.

Also, seeking to perform our HR mission to “facilitate employees’ future and excellent organizations,” we are striving to create an environment that encourages all individuals and organizations within the Group to fulfill their potential and accelerate HR development efforts. As a member of society, our human resources governance is designed to create a company that employees can be proud of, and our human resources development aims to maximize the performance of Group employees. In this way, we aim to facilitate the personal growth of each employee and increase our overall corporate value.



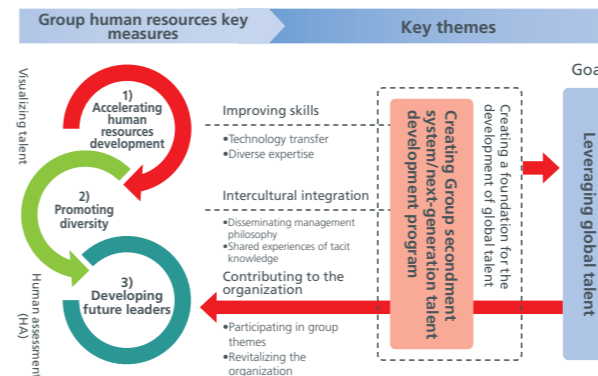
Work Engagement

In its medium-term management plan 2025, TAIYO YUDEN has set a target work engagement score of 2.5. Work engagement is an indicator of an employee's state of mind, and measures the extent to which they feel a sense of pride and fulfillment in their work. Every year, we carry out an 80-question Stress Check for each of our employees, and the work engagement score is based on answers to two of these questions. In FY2021, the average employee work engagement score was 2.25. We use this score to ensure our human resources development and workplace improvements enable employees to maximize their potential and improve productivity.

Example Measures in FY2021

- We introduced the work-interval system and trialed the work-from-home system in normal times.
- We defined and commenced initiatives for the Focus 5 health indicators.
- For employees required to teach their subordinates, we strengthened and implemented our programs for various forms of training—including harassment training, management training, and coaching training—to improve their teaching skills.
- For supervisors of production departments, we carried out training for teaching and supporting subordinates, creating positive workplaces, and management.

Key Measures



1. Accelerating Human Resources Development

In order to ensure a healthy balance of young employees in our workforce, we continue to operate a policy of recruiting approximately 100 young employees per year, regardless of the state of the economy. After they have joined our company, we carry out various forms of training and instruction to ensure these young employees develop the talents required by the Human Resources Department—namely, who can create sense of purpose in work, who can create opportunities, and who have attractive personality. We also carry out training programs to further extend the strengths of our company, and cover for its weaknesses.

Training Systems

Position Level	Development of Manufacturing Talents	Position Level-Specific Training	Selective Training	Self-Development Support	Career Design
Management Level	Quality Education SS Statistics	Training for Newly Appointed Subsidiary MD	Global Leader Training	Acquisition of Qualifications Business Skill Foreign Language	Career Plan Training
		Management Training	Leader Training		
Middle Level		Business Administration	Working Doctors Scheme/Study Abroad		
		Logical Thinking			
		Financial Accounting	Selective Training for Junior Staff		
Junior Level	Quality Control				
	Fundamental Knowledge Establishment Training				
Entry Level	Factory On-Job Training				
	New Employee Training				

Employee Training Expenses in FY2021 (TAIYO YUDEN CO., LTD.)

Total training expenses	¥182,307,000
Training expenses per employee	¥62,600

Examples of Training Carried Out in FY2021



Statistics Training New Employee Training Leader Training

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2. Promoting Diversity

In order to ensure its sustainable development even as society changes, TAIYO YUDEN believes it is vitally important to embrace diversity in its workforce with regard to individual differences in background and personal attributes, such as nationality, culture, gender, age, and career, and is seeking to invent completely new concepts and ideas from diversity-driven dynamic interactions.

In order to create a work environment that enables ambitious women to flourish, we have formulated and are now executing the Action Plan for Women's Empowerment. In the medium-term management plan 2025, one of our KPIs for materiality related to social value was a recruitment rate for

new female graduates of 30% or higher. In FY2022, we also established a new target for the proportion of women in managerial positions of 10% or higher by FY2030.

Example Initiatives in FY2021

- Held company information sessions for women
- Held round-table discussions with women promoted to managerial positions

Action Plan for Women's Empowerment:
<https://www.yuden.co.jp/or/company/sustainability/society/diversity/>

(TAIYO YUDEN CO., LTD.)	FY2019	FY2020	FY2021	FY2022	
Female manager ratio (as of April 1)					
Ratio of females in managerial roles*	1.8%	2.5%	2.4%	3.7%	We are striving to create work environments in which ambitious women can flourish. In the medium-term management plan 2025, we set a target for the proportion of women in managerial positions of 10% or higher by FY2030.
Ratio of female managerial roles among female employees	0.8%	1.1%	1.0%	1.6%	
Number of new graduates (as of April 1)					
Male	61	58	88	80	In order to secure and develop diverse human resources capable of leading the company in the future, we continue to recruit approximately 100 new graduates per year. In the medium-term management plan 2025, we set a target recruitment rate for new female graduates of 30% or higher.
Female	35	43	34	49	
Percentage of female	36.5%	42.6%	27.9%	38.0%	
Non-Japanese Employees (as of March 31)					
	21	23	23	—	

*Due to changes in how the denominator is defined for calculations, we have adjusted past values.

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. We have set a medium-term target of developing 200 future leader candidates.

Examples of Training Carried Out in FY2021

- 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. In FY2021, we reformed our working systems with the goal of improving employee work-life balance, and both trialed and introduced new work systems.

Main Systems Introduced in FY2021

<p>Work-interval system</p> <p>This system ensures a certain amount of "rest time"—or "interval"—is guaranteed between the end of work on one day and the beginning of work on the following day. We have adopted an 11-hour interval, which is the same as required by law in the European Union. The introduction of this system has resulted in improved productivity, reduced overtime, and better labor management standards.</p>	<p>Work-from-home system</p> <p>In major metropolitan regions where large numbers of people have been infected with COVID-19, according to the circumstances we established rules to prevent the spread of infections and introduced work-from-home and staggered-work-hour systems; even in other regions, we are trialing the work-from-home system for use in the COVID and post-COVID eras.</p>
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(TAIYO YUDEN CO., LTD., as of March 31)	FY2019	FY2020	FY2021	
Average length of service				
Male	18.2	18.9	17.9	So that each and every employee can demonstrate their performance to the maximum extent, the Company is working to create comfortable work environments.
Female	18.3	18.7	17.5	
Utilization rate of childcare leave / special paid holiday (when spouse gives birth)				
Male	85.5%	90.2%	89.2%	
Female	100.0%	100.0%	100.0%	
Average number of paid leave days taken				
	14.4	12.7	14.8	

Health-Oriented Management


TAIYO YUDEN continues to engage in the creation of workplaces that support the mental and physical health of its employees. By increasing the energy and productivity of our organizations, we intend to increase our corporate value. To this end, we have designated the President as Chief Healthcare Officer (CHO) and issued the TAIYO YUDEN Group: Health-Oriented Management Declaration, which seeks both to help employees improve their health and to raise their health awareness through the establishment of Group-wide systems.

In order to promote strategic and systematic efforts to improve employee health, we have established lifestyle habit KPIs, and categorized them under one of five themes collectively named "Focus 5": diet, non-smoking, exercise, sleep, and stress. We have been able to verify a correlation between improved Focus 5 performance and reduced rates of abnormal findings at health checks. Consequently, we are working on projects to encourage employees to acquire as many positive Focus 5 lifestyle habits as possible.

Example Measures in FY2021

Measures to improve sleep

Since only a small proportion of our employees claim to receive adequate rest through sleep, we held seminars for new employees entitled "The Importance of Sleep" and seminars for shift workers entitled "Improving Sleep Quality."



Sleep seminars for shift workers

Measures to reduce stress

As part of our systematic support for new employees, we launched a "Brother-and-Sister Support System," in which new recruits can seek work-related advice from senior colleagues who are close to them in age. In addition, we also held "Line Care Training" for production site managers and supervisors, to encourage interest in their own mental health and that of their subordinates, and to create workplace environments that are easier both mentally and physically to work in.



Focus 5: Goals (FY2025) and Current State (FY2021)

	Definition	Target	Current state
Diet	Ratio of employees with BMI 18.5 or more and less than 25	65.3%	64.9%
Non-smoking	Ratio of employees with no smoking habits	83.3%	81.3%
Exercise	Ratio of employees with exercise habits	28.7%	25.3%
Sleep	Ratio of employees able to take enough rest by sleeping	78.3%	61.9%
Stress	Ratio of employees not applied for "High stress"	86.3%	82.3%

*For all five themes, the higher the proportion the better

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Message from the Officer in charge



Promoting a human resources strategy to revolutionize society

Satoshi Yamazaki

Operating Officer
in charge of Human Resources, General Affairs

TAIYO YUDEN's basic policy is to enhance its corporate value by increasing its economic value as a company that continuously grows based on "the wonders of science," which serves as the source of this value enhancement, and by increasing its social value as one that contributes to achieving a better society. Demonstrating creativity and innovation, that is to say revolutionizing society, is also expected of us in order to achieve the Sustainable Development Goals (SDGs) and solve a wide range of other social issues that have emerged in recent years. I believe it is necessary to promote a human resources strategy that is fit for this expectation. In light of this, the Human Resources Department has made it its mission to "facilitate employees' future and excellent organizations."

To achieve this mission, we have established a human resources management system under the fundamental premise of respecting human rights. At its core are human resources governance, aimed at creating a company that Group employees can be proud of as a member of society, and human resources development, aimed at maximizing the performance of Group personnel. In terms of human resources development, we are working to expand our pool of future leaders necessary to grow net sales and increase our production capabilities in order to achieve our targets set out in the medium-term management plan 2025. On top of the education and training we provide for each class of employee, we offer selective leadership training, programs for improving management skills, etc. We also intend to increase the amount of our investments in human capital over the medium- to long-term.

Moreover, we set a new social (S) KPI from FY2022 related to our social value materiality of reaching a 10% or higher female manager ratio by FY2030 in order to enrich the diversity of our human resources. As of April 1, 2022, TAIYO YUDEN CO., LTD. had 11 women at management position, a ratio of 3.7%. In order to first secure a pool of candidates, we are stepping up our recruitment activities by aiming to ensure

that at least 30% of our new graduate intake are women and further providing support for career development.

Comfortable work environments and good health are also key elements for diverse workforces to be able to thrive and fully demonstrate their abilities. When it comes to the former, we are aiming to improve work-life balance through work system reform. We are also stepping up our training for employees who are in a position to instruct others beneath them as it has become clear that supervisors' words and actions have a significant impact on whether employees' motivation and job satisfaction improve. Moreover, we are restructuring our offices and factories at our bases in Japan. This is a project I am spearheading. We will work on systematically demolishing and reconstructing buildings erected prior to 1981 under the old seismic code and ensuring we have the space necessary to expand our business. I believe that being able to work in a safe, secure, and comfortable environment, both physically and psychologically, leads to greater employee satisfaction and engagement, and this will continue to be a focus of our efforts.

When it comes to health-oriented management, we plan to continue providing support for improving employee health and raising health consciousness through an organizational system of promoting health under the leadership of the President and Chief Executive Officer, who serves as CHO: Chief Healthcare Officer.

We at the Human Resources Department will help increase TAIYO YUDEN's corporate value by supporting the growth of each and every one of our employees and developing talent who are more scientific, rational, organized in their actions, and capable of demonstrating leadership and revolutionary breakthroughs in this era of rapid change, so that the Company may continue to serve as a corporation that makes a contribution to society.