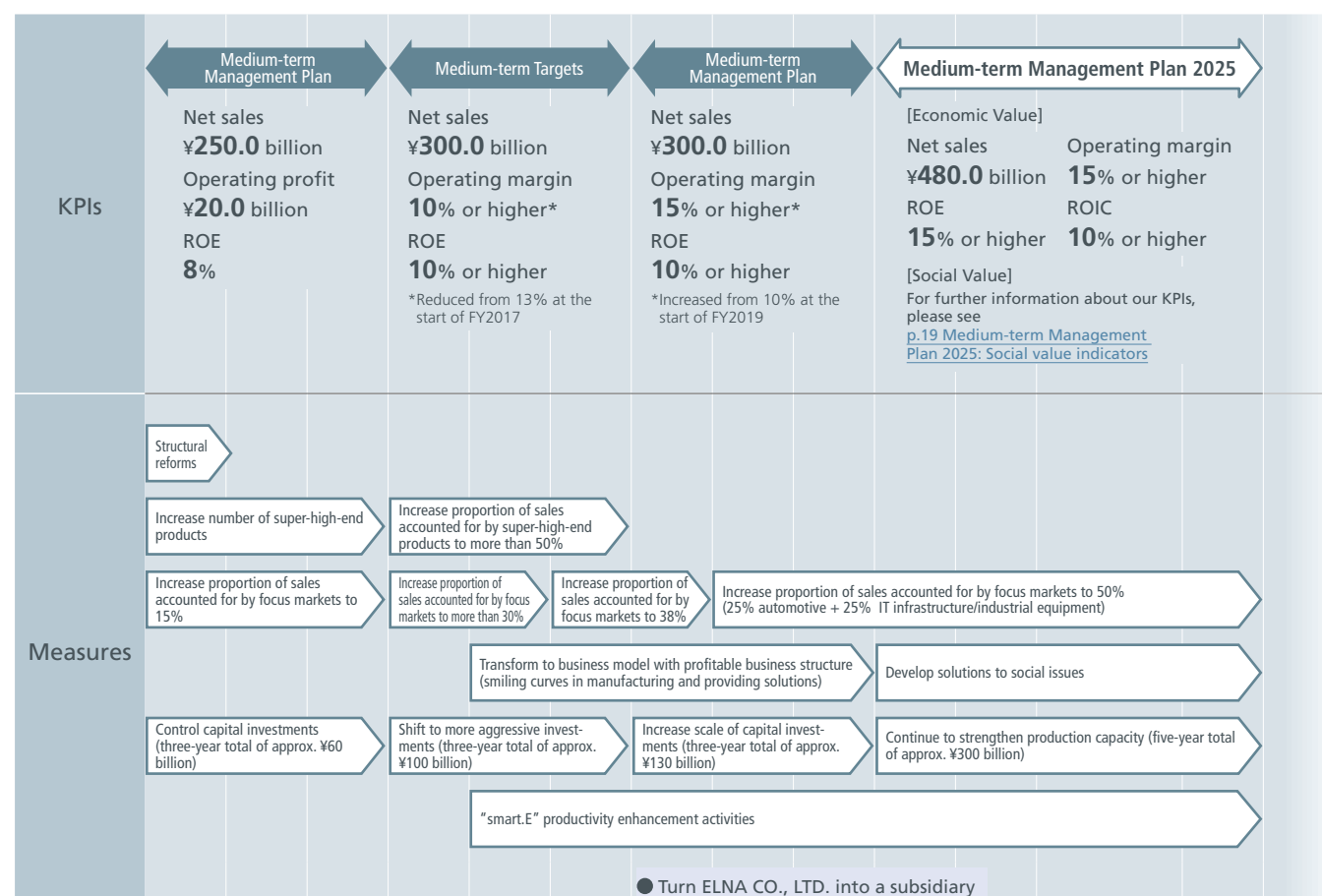
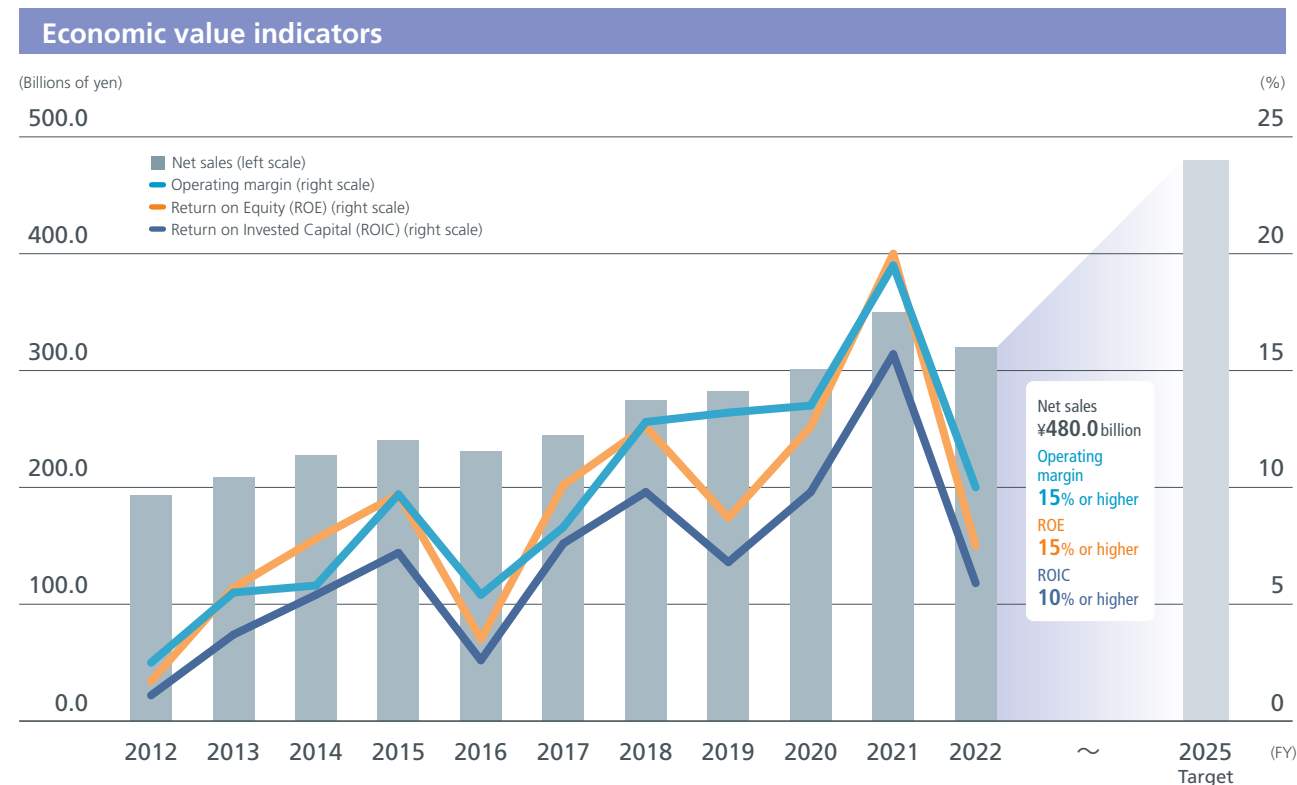


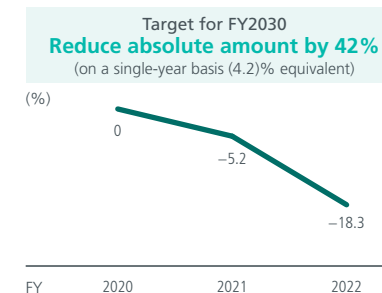
Medium-term Management Plan 2025 (FY2021–FY2025)

Trends and Targets of the KPIs

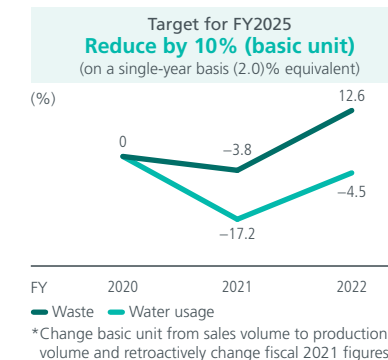


Social value indicators

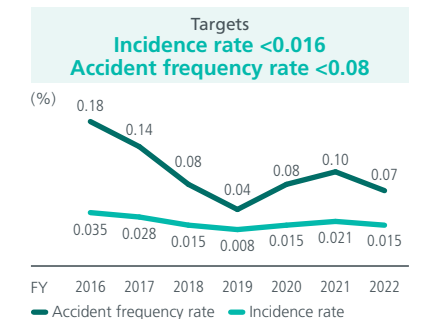
GHG emissions



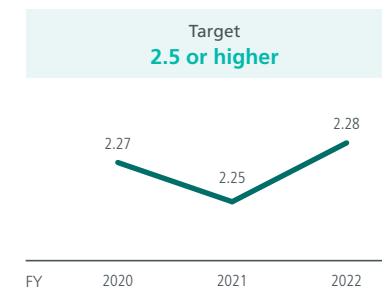
Waste, Water usage



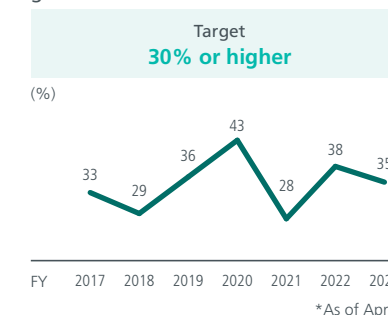
Incidence rate of injuries and illness Accident frequency rate



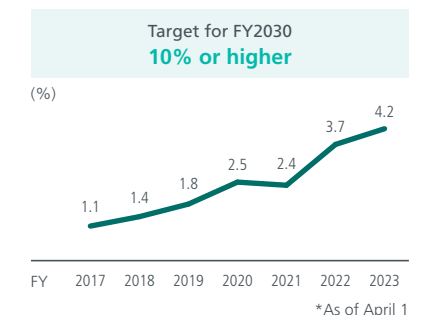
Work engagement



Rate of newly recruited female graduates*



Female manager ratio*



Medium-term Management Plan 2025: Progress and Issues

In the medium-term management plan 2025 (FY2021 to FY2025), we defined the automotive market and the IT infrastructure/industrial equipment market—two markets for which stable growth can be anticipated—as “focus markets” and while working to increase sales centered on these markets, we are aiming to enhance corporate value through the combination of economic and social value.

For economic value, we have set KPIs for net sales, operating margin, ROE, and ROIC. For social value, we have set KPIs for GHG emissions, waste volumes, water usage, workplace safety, diversity, etc. We are also advancing a capital investments plan of ¥300.0 billion over the five years from FY2021, the first fiscal year of the plan. We will use this money to strengthen our production capacity in readiness for future increases in demand centered on demand for automobiles and to make more proactive capital investments in environmental measures and IT facilities.

In FY2021 against the backdrop of favorable market conditions we exceeded our final targets for the three KPIs of operating margin, ROE, and ROIC whereas in FY2022 the demand environment for electronic components went into decline and each of the KPIs deteriorated. It is anticipated that the market conditions will gradually recover in FY2023 and we are continuing to carry out business activities for achieving the targets of

the final fiscal year of the medium-term management Plan 2025.

The sales composition ratio of the “focus markets” in FY2022 was 52% as a result of the increased demand in the automotive market and the slowdown in demand in other markets. It is thought that going forward the sales composition ratio will change due to the demand trends in each market, and we will operate well-balanced businesses which can exercise the strengths of TAIYO YUDEN.

Further, of the KPIs concerning social value, we have achieved our targets for incidence rate of injuries and illness, accident frequency rate, and rate of newly recruited female graduates. Going forward we will aim for continuous achievement of the targets. Regarding the other indicators, waste volumes and water usage deteriorated from the previous fiscal year, while on the other hand GHG emissions, work engagement, and the female manager ratio improved. We will continue to work toward achievement of the targets. Concerning GHG emissions, in response to the agreement of the target of 1.5°C in the 26th UN Climate Change Conference of the Parties (COP26), TAIYO YUDEN has also upwardly revised its targets and strengthened its initiatives in FY2022. As an initiative for GHG emissions reduction, the Yawatabara Plant materials building completed in March 2023 has realized significant energy savings and was able to acquire ZEB Ready certification.