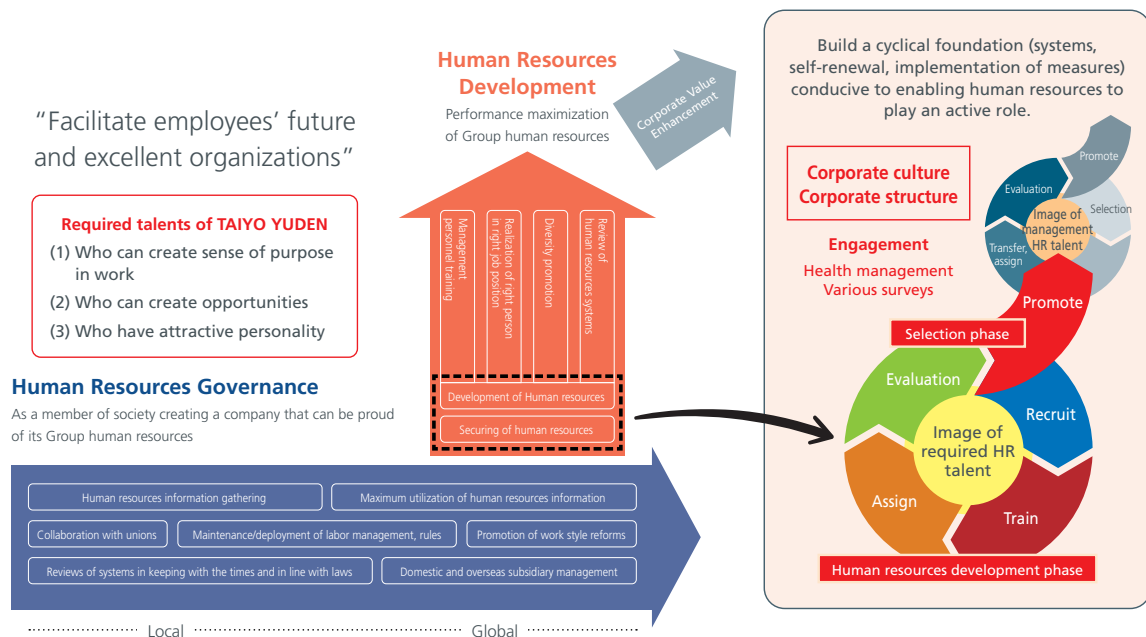


Human Resources Strategy

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.



The Vision of the Group for which TAIYO YUDEN is Aiming

TAIYO YUDEN has established the talents required using the three key phrases of “who can create sense of purpose in work,” “who can create opportunities,” and “who have attractive personality.” With respect to this, in external evaluations through human resources training and other methods, there are positive evaluations of the human resources of TAIYO YUDEN, including that they are cooperative and serious-minded, and work as hard as they can to achieve what is required of them, but on the other hand they are also receiving negative evaluations such as that they avoid conflict and do not state their own opinions or ideas, their reactions are weak because they are not good at expressing emotion, and their ability to conceive a vision is weak.

In order to realize the vision we are aiming for going forward, TAIYO YUDEN will maintain and enhance performance management ability and the ability to ascertain information, the

strengths of our employees, while strengthening their weaknesses of human resources development, vision creation, and a lack of transformative thinking through training and other methods, in order to get closer to the talents required. As a part of that approach, we conduct leader training, management training, coaching training, and other training for future leader candidate employees, to encourage them to be more scientific, rational, and organized in their actions.

Through these initiatives, we aim to develop human resources who think, take action, and carve out business themselves so that they are able to contribute to realization of the vision we are aiming for. Moreover, we are aiming for the kind of human resources group in which each and every one of our employees can tackle their work with vitality, break out of their shell, and further broaden their human relationships and work areas through spontaneous actions.

ESG / Social Activities

Work Engagement

TAIYO YUDEN believes that a workplace environment in which the employees feel a sense of pride and fulfillment in their work and tackle their tasks with vigor is important for sustained value creation. For this reason, in the medium-term management plan 2025 we set the numerical target of 2.5 for work engagement, an indicator of an employee's state of mind which measures the extent to which they feel a sense of pride and fulfillment in their work, and we are advancing initiatives for environmental improvement.

In the work engagement survey we carry out every year, the results for FY2022 were 2.28. Further, based on the analysis of the results of the survey of the Utrecht Work Engagement Scale (UWES) we implemented in FY2022, we perceive that improvement of the management which involves guidance and development is necessary; therefore, in addition to the strengthening of the education of management supervisors and strengthening of training of supervisors for production departments which we have carried out previously, we are giving feedback to the management supervisors and utilizing a check sheet in the selection of people for promotion, among other measures.

Example Initiatives in FY2022

- Strengthening of management supervisors (people who have subordinates)
Management training, harassment training, and satisfaction surveys at the time of semi-annual evaluation interviews
- Conducting of training for production department supervisors

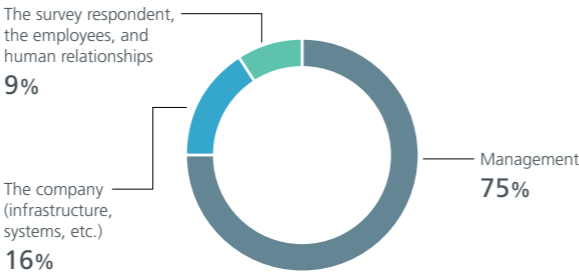


General Manager of the Human Resources Department
Miyuki Tsunegi

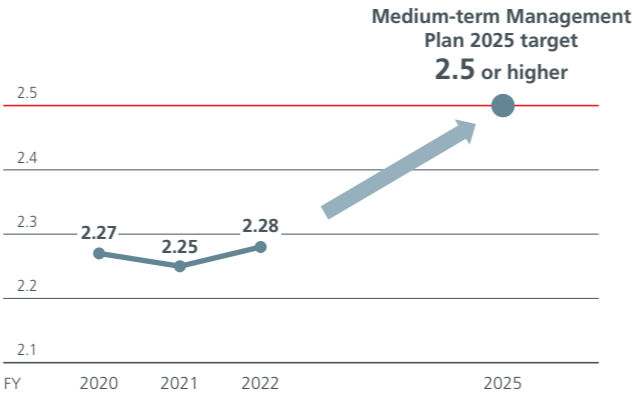
We intend to maximize the performance of our human resources to build the future of TAIYO YUDEN

“Obtaining and developing the human resources which will be responsible for the next generation” is an important issue in order for the TAIYO YUDEN Group to grow sustainably going forward as well. For that reason, building mechanisms and workplaces to enable employees with diverse backgrounds to exercise their own abilities and individuality as much as they like is necessary.

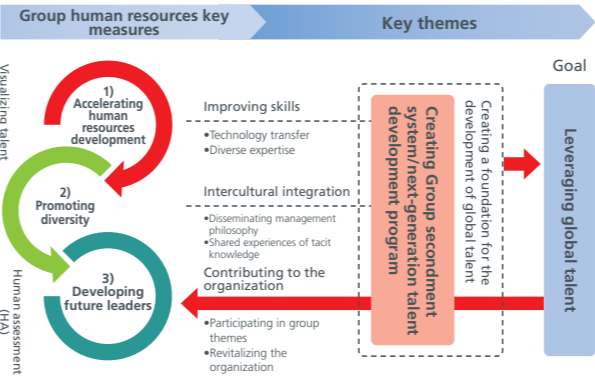
Issues arising from the free answers in the work engagement survey



Work engagement (TAIYO YUDEN CO., LTD.)



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 a fixed number of 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 have also built and operate a system for the secondment of local employees in the overseas bases to the headquarters in Japan for the development of human resources who can be responsible for the operation of the overseas bases.

Training Systems

Position Level	Education in Skills Required of All of the Employees		Position Level-Specific Training		Selective Training	Self-Development Support			Career Design
Management Level	<div>Business skills education</div> <div>Coaching & facilitation</div> <div>Business literacy</div> <div>Statistics</div>	<div>Manufacturing personnel education (quality education/5S/TW/A)</div>	Training for Newly Appointed Subsidiary MD		Global Leader Training		<div>Acquisition of Qualifications</div> <div>Correspondence education</div> <div>Foreign Language</div>	<div>Career Plan Training</div>	
Middle Level			Management Training						
			Business Administration	Promotion Training					
			Logical Thinking						
			Financial Accounting						
Junior Level			Quality Control	Harassment and compliance education					
			Fundamental Knowledge Establishment Training (Second to fifth year after joining the company)						
			Factory On-Job Training						
Entry Level		New Employee Training							

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

	FY2021	FY2022
Total training expenses	182,307 thousand yen	230,026 thousand yen
Training expenses per employee	¥62,600	¥79,237

Examples of Training Carried Out in FY202



Management training



Production department promotion training



New employee training

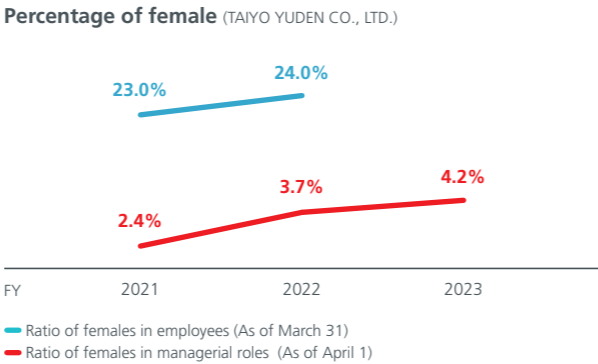
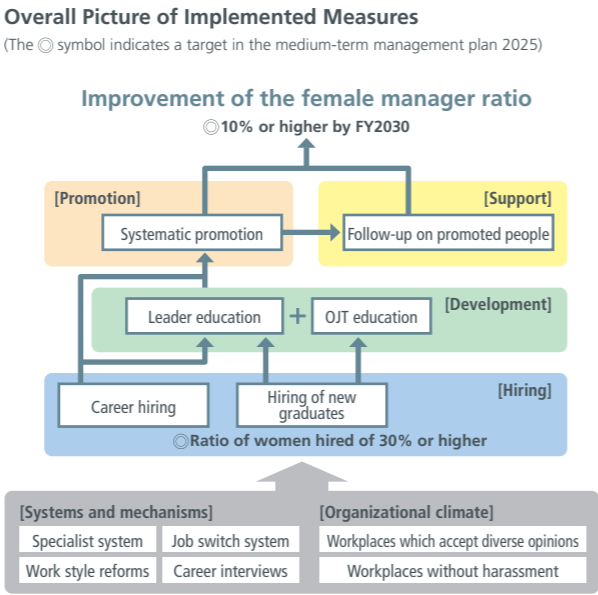
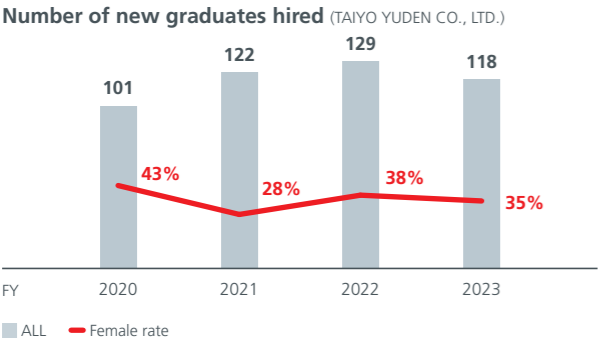
ESG / Social Activities

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.

Concerning women's empowerment, in the medium-term management plan 2025 we established the targets of a ratio of new graduate women hired of 30% or higher and a female manager ratio of 10% or higher (FY2030) and we are working to create an environment that enables ambitious women to flourish. Furthermore, we are promoting the employment of people with disabilities. We are not only aiming higher than the statutory employment rate; we are also advancing the creation and expansion of forums in which each and every one of our employees can flourish.

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



General Manager of the Diversity Development Department
Midori Shinozaki

I want to realize “full participation-type diversity management” through the participation of diverse human resources

This year, in the newly-launched Diversity Development Department, we are focusing our efforts on the current priority issues of the promotion of women's participation and advancement in the workplace and employment of people with disabilities. Regarding promotion of women's participation and advancement in the workplace, TAIYO YUDEN has established the KPIs of a “rate of newly recruited female

graduates of 30% or higher” and a “female manager ratio of 10% or higher (FY2030)” as targets in the medium-term management plan 2025. Because there are specific targets, all of the employees can gain greater awareness than ever before of their own responsibility for the issues. Firstly it is important to understand the current situation regarding diversity, and gain approval and empathy concerning the initiatives. Meanwhile, regarding the utilization of people with disabilities, it is necessary to build a mechanism enabling their employment in a permanently satisfying form, rather than engaging in a makeshift response.

The Diversity Development Department cannot realize these targets on its own. While getting many people involved regardless of their class, age, or gender, we will strengthen our activities to inform and enlighten our employees. I intend to contribute to the realization of “full participation-type diversity management” under which colleagues possessing diverse experience and values can be considerate and helpful to each other, through a variety of techniques such as measures which make employees think “I want to do this together!,” study meetings and networking events which bring out the willingness of employees to grow, hiring support actively utilizing female recruiters, and work style reforms suitable for the current era.

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 by stipulating the number of future leader candidates necessary based on the business scale forecast.

Examples of Training Carried Out in FY2022

- Leader training for middle level employees and managers
- Management training for section chiefs

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 FY2022, 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 FY2022

Official introduction of the work-from-home system in normal times

After completing the emergency response to COVID-19 we implemented trial operation of a work-from-home system in normal times from July 2021 in order for employees to work with vigor through their work by increasing the options for flexible work styles and in order to maintain and enhance work improvement and work efficiency through revisions of work styles. We confirmed its effects and impact during the trial period and decided to officially introduce the work-from-home system in normal times.

Meeting the requirements of the amendment of the Childcare Leave Act

Content about developing an environment in which it is easy to obtain childcare leave and about encouraging the participation of men in childcare is included in the amendment of the Childcare Leave Act in FY2022. Therefore, in order to encourage men to obtain childcare leave, TAIYO YUDEN publishes articles in the Group newsletter and distributes a childrearing guidebook when a spouse makes a pregnancy and childbirth application, and the Human Resources Department gives individual explanations, etc. Furthermore, we have put in place a mechanism for carrying out interviews with supervisors to confirm the intention of an employee to obtain childcare leave.

(TAIYO YUDEN CO., LTD., as of March 31)		FY2020	FY2021	FY2022
Average length of service				
	Male	18.9 years	17.9 years	17.6 years
	Female	18.7 years	17.5 years	16.6 years
Average number of paid leave days taken		12.7 days	14.8 days	15.6 days
Utilization rate of childcare leave				
	Male	—	—	29%
	Female	100%	100%	100%
Utilization rate of childcare leave / special paid holiday (when spouse gives birth)				
	Male	90%	89%	92%

So that each and every employee can demonstrate their performance to the maximum extent, the Company is working to create comfortable work environments.

ESG / Social Activities

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 and Chief Executive Officer 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 work for the realization of health-oriented management.

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 (positive lifestyle habits) performance and reduced rates of abnormal findings at health checks. Consequently, we are working on projects to encourage employees to acquire as many Focus 5 habits as possible.



Focus 5 and Health Data

We have been able to confirm a correlation between improved Focus 5 performance and an increased proportion of employees who are given an overall assessment of "no abnormalities" in their health checks. Going forward, we will continue to promote effective measures for the acceptance of Focus 5 by our employees.

Example Measures in FY2022

Measures to improve "sleep"

In order to increase from the current state the proportion of our employees who claim to receive adequate rest through sleep, we held seminars for new employees and shift workers entitled "Improving Sleep Quality" which focused on their respective sleep issues. Furthermore, we held sleep e-learning for desk workers with the objective of "enhancing sleep literacy."



Sleep seminars for shift workers

Measures with respect to "exercise"

In order to increase from the current state the proportion of employees who exercise habitually, we implemented initiatives to foster the momentum for employees to exercise daily, including the distribution of stretching videos produced in-house, the holding of stretching and yoga classes given by external lecturers, and the visualization of the physical condition of the employees using wearable devices and apps, among others.

Focus 5 Trends

(%)

	Definition	FY2021 Actual	FY2022 Actual	FY2025 Target
Diet	Ratio of employees with BMI 18.5 or more and less than 25	64.9	64.7 ↓	65.3
Non-smoking	Ratio of employees with no smoking habits	81.3	82.4 ↑	83.3
Exercise	Ratio of employees with exercise habits	25.3	26.8 ↑	28.7
Sleep	Ratio of employees able to take enough rest by sleeping	61.9	62.1 ↑	78.3
Stress	Ratio of employees not applied for "High stress"	82.3	84.0 ↑	86.3

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

*The arrows show the changes compared to the previous fiscal year

Number of applicable Health Examination Result and Focus 5 (FY2022)

