

Materiality

In order to achieve its mission of “stronger and more socially aware through the wonders of science,” TAIYO YUDEN has designated the most important issues it faces as “materiality,” or “key issues.” In our

medium-term management plan 2025, which began in FY2021, we drew up priority measures and KPIs linked to key issues for both economic and social value, and we are in the process of carrying them out.

Materiality (Key Issues) Identification Process



Materiality and Priority Measures

Category		Materiality (Key Issues)	SDGs Targets	Medium-Term Management Plan 2025 Priority Measures	Medium-Term Management Plan 2025 KPIs			Example Initiatives in FY2024	Related Pages
					Item	Target	FY2024 Actual		
Economic Value		Strengthen core technologies to make our core business grow	7 7 GOAL 7: AFFORDABLE AND CLEAN ENERGY 9 9 GOAL 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE	■ Product Strategy Further grow the MLCC business and strengthen inductor and communication device products to turn them into core businesses	Net sales Operating margin ROE ROIC	480.0 billion yen 15% or higher 15% or higher 10% or higher	341.4 billion yen 3.1% 0.7% 0.5%	Initiatives for the development and stable supply of high-quality smart products that reduce environmental impact ■ Capacitors: Focused on and expanded supply capabilities for high-value-added zones such as AI servers and automobile applications ■ Inductors: Expanded applications of metal power inductors and improved our item mix ■ Communication devices: Rebuilt the business through structural reforms	▶ p.37 At a Glance
				■ Market Strategy Increase the proportion of sales in focus markets, primarily automotive and IT infrastructure/industrial equipment, to 50%				■ Expanded our supply capacity by increasing production capacity, and expanded sales for automobiles and IT infrastructure/industrial equipment ■ The proportion of sales in focus markets: 50%	▶ p.18 Medium-Term Management Plan 2025
				■ Financial Strategy Continuously expand production capacity to meet increase in demand for electronic components				■ Constructed a new building to enhance product development capabilities at the Tamamura Plant, the headquarters for the production of cutting-edge multilayer ceramic capacitors (MLCCs) ■ Increased MLCC production capacity by 10–15% compared to the previous year	—
		Create solutions to solve social issues		—				■ Increased adoption of regenerative electric assist systems for bicycles that enable the recovery and reuse of kinetic energy ■ Expanded field testing of the river water level monitoring system and one-coin flood sensor	▶ p.14 Business Activities that Provide Value
Social Value	(E) Environment	Strengthen measures to address climate change	6 6 GOAL 6: CLEAN WATER AND SANITATION 12 12 GOAL 12: RESPONSIBLE CONSUMPTION AND PRODUCTION	■ Accelerate our efforts with numerical targets to improve our social value	GHG emissions (FY2030) *Absolute amount, compared with FY2020	42% reduction	20.9% reduction	■ Improved energy-efficiency for production and infrastructural equipment and expanded introduction of renewable energy ■ Increased information disclosure in line with TCFD (Safety & Environmental Report 2024, Integrated Report 2024, etc.) ■ Certified as an A List company, the highest evaluation, in the area of climate change for the third consecutive year by international environmental non-profit organization CDP ■ Gained recognition from the Science Based Targets initiative (SBTi) regarding our target for reducing greenhouse gas (GHG) emissions by FY2030 based on science, and obtained SBT certification.	▶ p.69 Environmental Activities
		Use resources effectively and contribute to create recycling society	13 13 GOAL 13: CLIMATE ACTION		Waste Water usage *Basic unit, compared with FY2020	10% reduction 10% reduction	0.3% increase 10.2% reduction	■ Reduced waste at production bases through revisions to production methods ■ Reduced water consumption at production bases through optimization of facilities that supply water	
		Achieve health-oriented management and work style reforms at safety first workplace	3 3 GOAL 3: GOOD HEALTH AND WELL-BEING 5 5 GOAL 5: GENDER EQUALITY		Incidence rate of injuries and illness Accident frequency rate	< 0.016 < 0.08	0.027 0.13	■ Promoted health and safety activities for each of the 5Ms of man, machine, method, material, and measurement based on the medium-term occupational health and safety targets (FY2022 to FY2025) ■ Reviewed and revised organic solvents and production methods used, and shifted to less harmful substances	▶ p.79 Social Activities
	(S) Social	Train and develop human resources based on the diversity policy	8 8 GOAL 8: DECENT WORK AND ECONOMIC GROWTH		Work engagement	2.5 or higher	2.28	■ Increased management training, harassment training, etc., and introduced job cards in career plan training ■ Hosted sleep seminars for shift workers, and line care training for high-stress divisions	▶ p.83 Human Resources Strategy
					Rate of newly recruited female graduates	30% or higher	36.4%*	■ Hosted open company events and company information sessions for women ■ Participated in recruitment events for female students	
					Female manager ratio (FY2030)	10% or higher	6.5%*	■ Hosted unconscious bias training to reduce inequity and misunderstanding stemming from unconscious bias ■ Hosted training sessions and networking events to promote women's empowerment and advancement in the workplace ■ Provided e-learning for managers to enrich their understanding about helping subordinates to balance work and home life	
	(G) Governance	Improve management quality to support business growth	11 11 GOAL 11: SUSTAINABLE CITIES AND COMMUNITIES					■ Made progress in efforts to acquire ISO27001 certification, which certifies compliance with international standards for information security ■ Made lists of laws/regulations and risks by organizational unit, and drafted and implemented mitigation measures	▶ p.67 Information Security Policy
		Establish and evolve BCM for disaster and infectious disease	16 16 GOAL 16: PEACE, JUSTICE, AND STRONG INSTITUTIONS					■ Reviewed and improved the specific standards of conduct in the event of a disaster (including notification in the event of an emergency) and the Group Business Continuity Provisions ■ Provided priority telephone links in the event of disaster for each site in Japan ■ Checked and reviewed hazards at each site ■ Established, accelerated and systematized collaboration between organizations for responding to BCP inquiries from customers	▶ p.64 Risk Management and Compliance

* As of April 1, 2025