

Interview with the Officer in Charge of Human Resources

We aim to improve productivity and corporate value through human resource development

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in charge of Human Resources and General Affairs



Striving for Higher-Quality Human Capital Investment

What TAIYO YUDEN aims for is not just technological innovation or improved business performance. We want to be a company where people grow. When people grow, the organization becomes stronger, and corporate value increases. Based on this belief, we have continued to invest in human capital and have expanded our training programs for a wide range of employees with the goal of raising skill levels across the board. Having achieved considerable success through this broad investment, we are now shifting to the next step: focused investment, and promoting training that focuses on contributions to business performance. The more fundamental the education, the longer it tends to take for the effects to become apparent. As such, we cannot say for certain at present that this investment is directly linked to improvements in performance or profitability. We are taking an earnest stance as we confront the question of whether our business performance justifies the costs incurred.

Against this backdrop, we are re-examining the quality of our human capital investment. Instead of investing equally across all levels, we are restructuring our investment approach based on two pillars: concentrated investment regarding upper-level employees, particularly managers and leaders; and expanding the range of personnel who can utilize DX and AI. While continuing to enhance standards across the board, we aim to boost the effectiveness of our human capital investment by providing education with a clear focus.

Human Resource Development with an Eye to the Future

Our training for future leaders is designed to nurture future operating officers, heads of overseas sites, and general managers of business divisions. This training program is for candidates who have been selected through nomination by each headquarters chief and through discussions between the President and management. We create medium-term development plans and provide individual training based on personnel assessments and 360-degree evaluations.

Meanwhile, our leader training program nurtures future department-manager-level employees, and helps participants acquire the necessary skills for serving as leaders through a

three-year program covering organizational management, scenario planning, and leadership development. Five cohorts have graduated so far, leading to the continuous development of personnel who lead their workplaces as managers.

We believe that one challenge for future efforts is the education of the management team that will lead the company in the future. We will focus our efforts on this topic while also considering its impact on work engagement.

TAIYO YUDEN's DNA Permeating Through Overseas Sites

TAIYO YUDEN is a global company with an overseas sales ratio of over 90%. This is exactly why we are focusing on nurturing future leaders at our overseas sites as well. Through short-term assignments lasting about one year, they work with their Japanese colleagues to learn our ways of thinking about technology, quality, and management, which they then take back and implement at their own sites. Through an iterative cycle of practice and learning, we are raising the standards of local management.

We also feel that by achieving closer communication with the head office in Japan, it becomes easier to impart not only the knowledge and know-how required of management candidates but also the spirit of TAIYO YUDEN's manufacturing. We recognize this approach as one of our strengths.

The Growth of Employees and the Company Through Sustainable Well-Being

In the next medium-term management plan, we are considering placing the realization of HR Well-being* at the center of our HR measures, based on the concept of sustainable well-being with an even greater focus on people. This initiative is not just about ease of working, but also about job satisfaction, growth, and connection with the organization. We believe that when these elements are linked together, employee well-being increases, productivity per person improves, and corporate value rises. This is the virtuous cycle that we are aiming for. We believe that by linking the excitement of our employees with the excitement of TAIYO YUDEN, we can create a driving force for both employees and the company to achieve significant growth together.

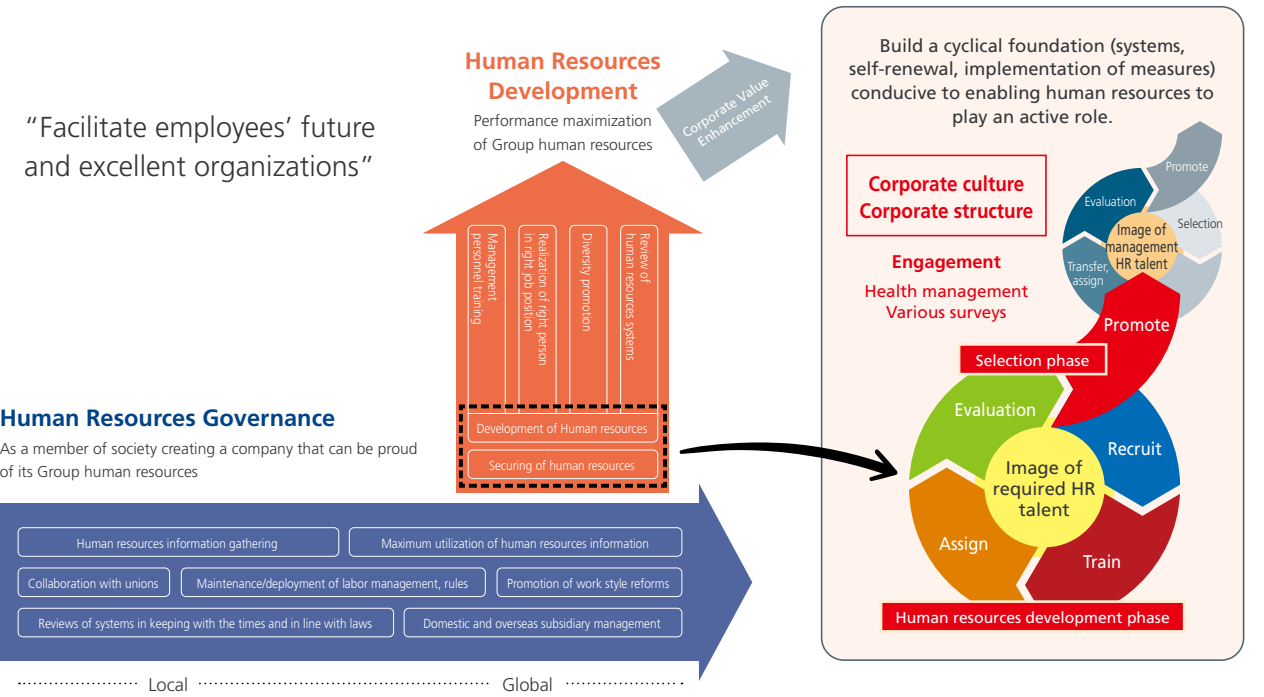
*HR Well-being: Employee well-being

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

The sustainable growth of the TAIYO YUDEN Group requires leaders who can drive the company and organization, so we call for leadership that fully utilizes each employee's strengths. 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. 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 shells, and further broaden their human relationships and work areas through spontaneous actions.

ESG / Social Activities

Work Engagement

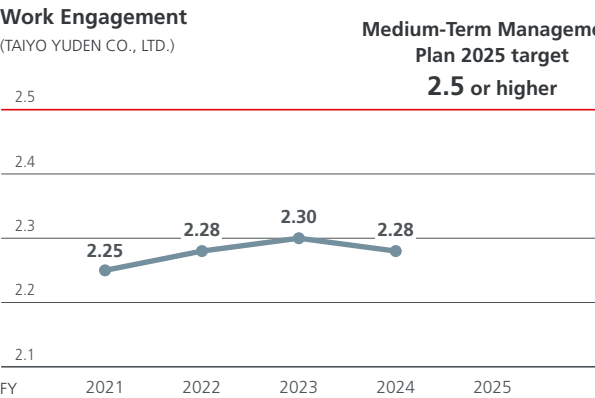
TAIYO YUDEN believes that a workplace environment in which the employees feel a sense of pride and fulfillment in their work and tackle their tasks with vigor is important for sustained value creation. For this reason, in the medium-term management plan 2025 we set the numerical target of 2.5 for work 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 FY2024 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 checklist in the selection of people for promotion, among other measures.

Examples of Initiatives in FY2024

■ Expanded management training, harassment training, etc., and introduced job cards in career plan training

■ Conducted sleep seminars for shift workers and provided line care training for departments with high stress levels



Key Measures

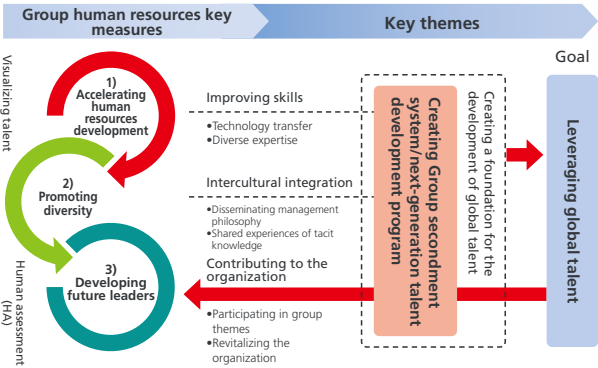
(1) Accelerating Human Resources Development

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 joining our company, we focus on cultivating young employees during their first five years. We aim to develop talents who can create a sense of purpose in their work and achieve results by involving others. We also aim to develop leaders who can drive the organization and conduct various forms of training and instruction to achieve this.

Furthermore, to nurture human resources who will support the Group's growth, we also conduct inter-site exchanges where employees from overseas bases work at domestic sites.

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

	FY2021	FY2022	FY2023	FY2024
Total training expenses (Unit: 1,000 yen)	182,307	230,026	258,541	294,011
Training expenses per employee (Unit: yen)	62,600	79,237	90,621	100,414



Training Systems

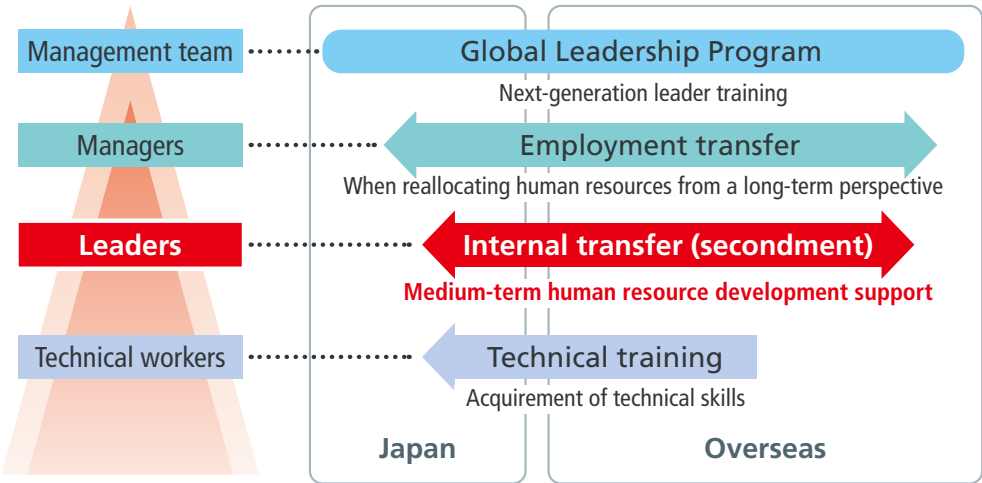
Position Level	Position Level-Specific Training	Vocational Education	Selective Training			Education in Skills Required of All of the Employees	Qualification Requirements	Career Design	Self-Development Support				
Executive Level	Executive Training	Harassment and Compliance Education	Specialized Skills Education					Life Plan Training	Acquisition of Qualifications	Correspondence Education	Foreign Language		
Management Level	Training for Newly Appointed Subsidiary MD						Business Skills Education						Career Plan Training
	Management Training			Global Leadership Program		Manufacturing Personnel Education (quality education/5S/TW/A/Statistics)						Business Administration	
	Promotion Training			Leader Training				Logical Thinking					
Middle Level	Assessment			Pre-Assessment Training				Working Doctor Program/ Study Abroad				Pre-Departure Language Training	Financial Accounting
	Promotion Training					Quality Control							
Junior Level	Fundamental Knowledge Establishment Training												
	Promotion Training												
New Level	Factory On-Job Training												
	New Employee Training												

[Promoting Interaction between the Bases for Human Resource Development]

As part of the materiality of the medium-term management plan 2025 that stipulates the need to “train and develop human resources based on the diversity policy,” we are nurturing human resources that will support the growth of the TAIYO YUDEN Group's future by promoting interaction between the bases for human resource development, in which employees from overseas sites are dispatched to work at domestic sites for approximately one year to accumulate work experience.

For the target management candidates of overseas sites, this opportunity not only enhances their own expertise but also enables them to create connections with other divisions, understand the decision-making and workflow of Japanese sites, and acquire business skills in the Japanese language. For those on the receiving side, working with seconded employees from overseas sites offers an opportunity for in-depth cross-cultural interactions. These interactions will help them recognize their local perspectives and promote the TAIYO YUDEN Group's further globalization.

Global Human Resource Mobility Scheme



ESG / Social Activities

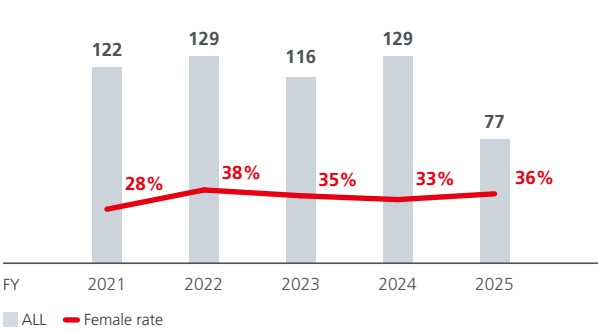
(2) Promoting Diversity

TAIYO YUDEN believes that promoting the advancement of women, who are the largest minority group, is the highest priority issue in achieving diversity management. In the medium-term management plan 2025, the established target rate of newly recruited female graduates is 30% or more, and the target for the female manager ratio is 10% or higher (FY2030). In detail, measures will be implemented in three directions: “promotion of recruitment and active participation of diverse human resources,” “promotion of flexible working styles,” and “mindset reform and development of a corporate culture.” Along with attaining these targets, we also actively promote the development of environments that will enable many motivated women to play an active role without any gender constraints.

We have also established targets for recruiting disabled people and are making active efforts toward this. Furthermore, we are creating and expanding work opportunities for disabled people and providing support to enable them to work with peace of mind.

Diversity:
<https://www.yuden.co.jp/en/sustainability/society/diversity/>

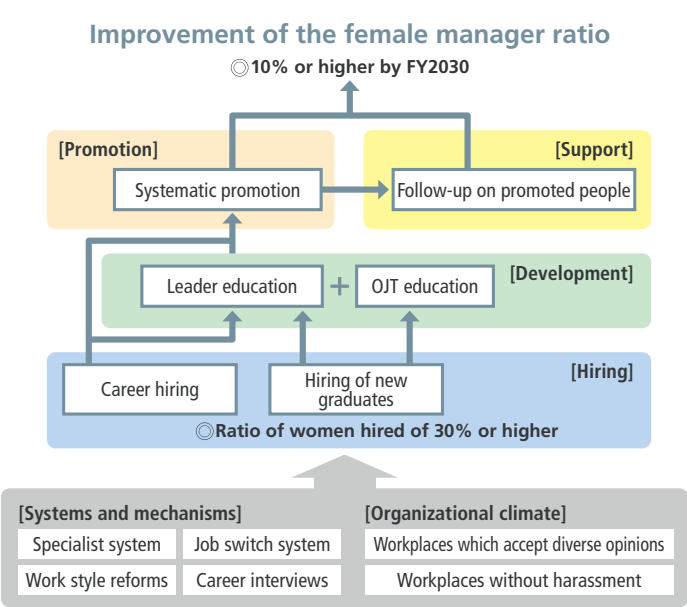
Number of New Graduates Hired (TAIYO YUDEN CO., LTD.)



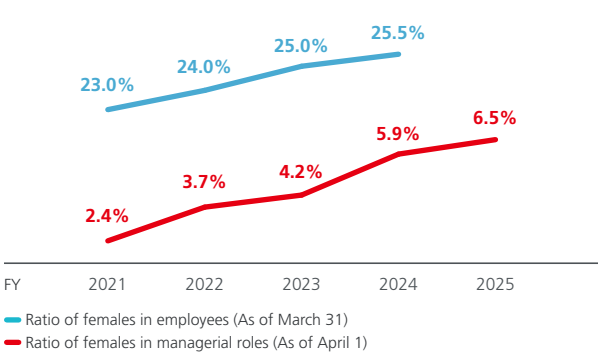
[Awareness-Raising Activities]

We disseminate information through training programs and our group magazine. In FY2024, in addition to dispatching employees to external training, we conducted a career advancement training program specifically designed to develop female candidates for managerial roles. We have designated the period up to FY2025 as the awareness-building phase, focusing on promoting awareness through training programs and networking events.

Overall Picture of Implemented Measures
(The ◎ symbol indicates a target in the medium-term management plan 2025)



Percentage of Female (TAIYO YUDEN CO., LTD.)



[Childcare Support System]

The support system for balancing careers and childcare offers parental leave that exceeds legal requirements. To support the use of the parental leave system and participation in childcare, the “Career and Childcare Support Guidebook” is distributed to male employees with newborns. At the same time, those in management positions are provided with a guidebook for supervisors and e-learning to enable them to support their subordinates in balancing work and childcare.



[Career Transition Program]

To expand opportunities for female employees, we have developed a system that enables employees in clerical positions to transfer to general positions. This initiative is promoted through training. We also support motivated employees in achieving further career growth through their role.

(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. We are also formulating a succession plan and implementing initiatives for training management personnel.

Work Style Reforms

TAIYO YUDEN is working to create a comfortable work environment that enables each employee to maximize their performance. In recent years, we introduced the work-interval system in FY2021 and the work-from-home system in FY2022. The work-interval system is monitored to ensure appropriate

[Promotion of Employment of Disabled People]

We promote the employment and retention of disabled people. As part of our employment promotion initiatives, we opened a café and bakery, which expanded its sales to five sites in FY2024. In addition, we established a department dedicated to supporting the operational efficiency of each division. Through these efforts, we will continue to expand opportunities for disabled people to play an active role in the workplace.

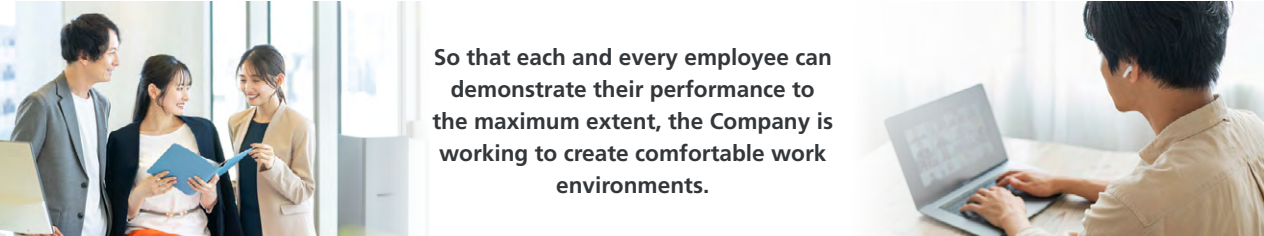
implementation, promote its dissemination, and improve labor management standards. Furthermore, the number of users of the work-from-home system has steadily grown and become more established. We will continue to explore new systems while ensuring the effective utilization of existing systems.

Examples of Systems and Initiatives

Work-interval system

This system provides a minimum rest period (interval) between the end of a workday and the start of the next. The adopted interval is 11 hours, which is also the legal standard of EU member states.

(TAIYO YUDEN CO., LTD., as of March 31)		FY2021	FY2022	FY2023	FY2024
Average length of service					
	Male	17.9 years	17.6 years	17.2 years	16.8 years
	Female	17.5 years	16.6 years	15.8 years	15.4 years
Average number of paid leave days taken					
		14.8 days	15.6 days	16.1 days	16.1 days
Utilization rate of childcare leave					
	Male	—	29%	52%	65%
	Female	100%	100%	100%	100%



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 Trends

	Definition	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Target
Diet	Ratio of employees with BMI 18.5 or more and less than 25	64.9	64.7	63.1	64.4 ↑	65.3
Non-smoking	Ratio of employees with no smoking habits	81.3	82.4	82.9	83.4 ↑	83.3
Exercise	Ratio of employees with exercise habits	25.3	26.8	27.9	28.2 ↑	28.7
Sleep	Ratio of employees able to take enough rest by sleeping	61.9	62.1	60.5	60.4 ↓	78.3
Stress	Ratio of employees not applied for "High stress"	82.3	84.0	84.5	84.2 ↓	86.3

*For all five themes, the higher the proportion the better *The arrows show the changes compared to the previous fiscal year

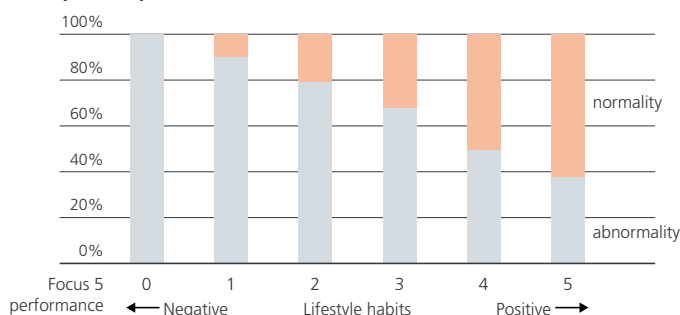
Focus 5 and Health Data

The correlation between the Focus 5 indicators and health data showed that the higher the number of applicable indicators, the fewer abnormalities*¹ during health examination and the less ill health*² during stress checks.

*1 Individuals who meet the reexamination, further examination, and treatment standards of the Japan Society of Ningen Dock in any of the five categories within periodic health checkups (BMI, blood pressure, lipids, blood glucose, and liver functions)

*2 Calculated from the responses to 11 questions regarding one's physical condition in the stress check

Number of applicable Health Examination Result and Focus 5 (FY2024)



Example Initiatives in FY2024

Promoting Healthy Eating Habits

As part of an event to raise awareness and encourage healthier eating habits, we distributed salads and soups that are rich in vegetables. In conjunction with the timing of health check-ups, we also measured vegetable intake levels using a Veggie Meter.



Measuring vegetable intake with a Veggie Meter