TAIYO YUDEN

INTEGRATED REPORT 2026

At a Glance (FY2025)

Number of years since founding
76

Number of production bases
19
(As of March 31, 2026)

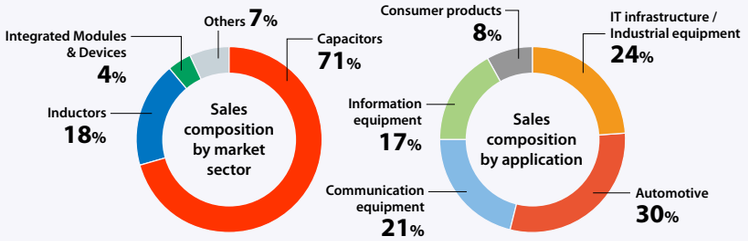
Number of employees
20,604
(As of March 31, 2026)

Global market share of multilayer ceramic capacitor (MLCC)
No. 3
(As of March 31, 2026, according to in-house research)

Overseas sales ratio
94.2%

Ratio of overseas production
71.2%

Net sales
¥355.3 billion



Operating margin
5.6%

ROE
4.5%

ROIC
3.0%

GHG emissions reduction ratio
(27.6)%
(Compared to FY2020)

Waste reduction ratio
(0.9)%
(Compared to FY2020)

Water usage reduction ratio
(16.9)%
(Compared to FY2020)

Accident frequency rate
0.10

Work engagement
2.28

Rate of newly recruited female graduates
30.8%
(As of April 1, 2026)

Female manager ratio
7.7%
(As of April 1, 2026)

* Accident frequency rate = Number of the victims of occupational injury (at least one workday lost) ÷ Total actual number of hours worked by registered workers × 1,000,000. The average rate in the Japanese manufacturing industry in FY2025 was 1.33.

At a Glance
Editorial Policy
Contents

Value Creation Story

Initiatives for Enhancing Corporate Value
Economic Value

Initiatives for Enhancing Corporate Value
Social Value

Achievements, Evaluations, and Corporate Data

On the Publication of the Integrated Report 2026

TAIYO YUDEN's Integrated Report explains the Group's value creation activities aimed at enhancing corporate value through both economic and social value.

Starting this fiscal year, we launched the Medium-Term Management Plan 2030. This report presents "Sustainable Well-being," the future TAIYO YUDEN seeks to realize and the state to which it aspires, as well as the plan's targets and the strategies and measures for achieving them. It also provides information on the demand outlook associated with the growth of AI-related markets, including AI servers, our competitive advantages, and "HR Well-being," a core element of our human resources strategy.

In preparing this report, we reflected stakeholder feedback through dialogue, with management and the relevant executive divisions working together in an appropriate process. We hope this report helps deepen understanding of the TAIYO YUDEN Group.

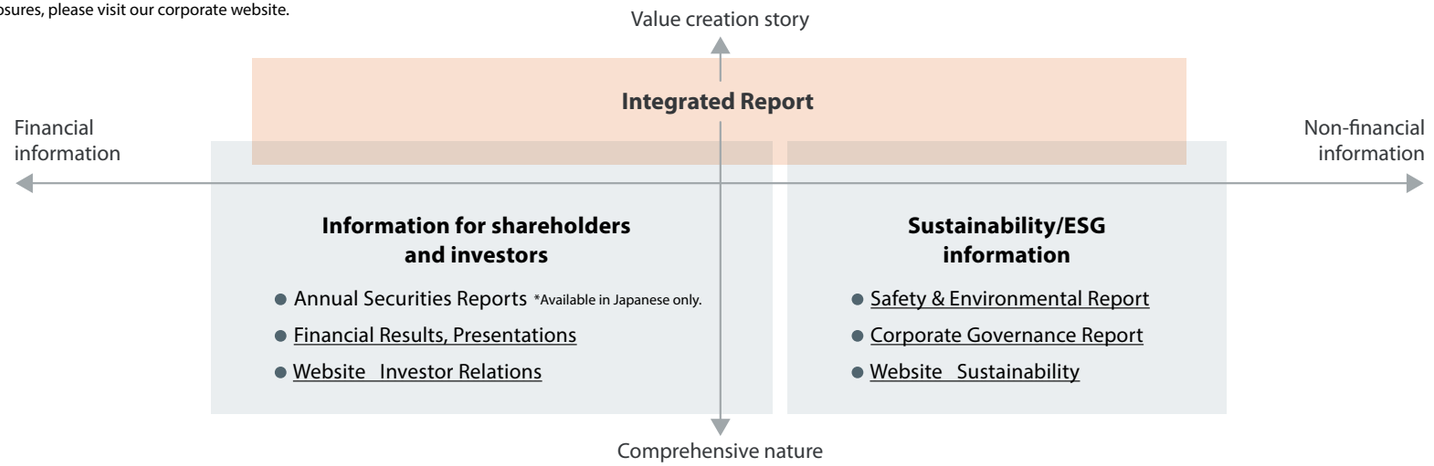
We will continue to value dialogue with our stakeholders and strive to enhance the quality and transparency of our information disclosure.

October 2026

Tomomitsu Fukuda
Director, Senior Executive Operating Officer

Information Disclosure Structure

For detailed information on TAIYO YUDEN's financial and non-financial disclosures, please visit our corporate website.



Scope of Report
This report covers 30 companies, comprising TAIYO YUDEN CO., LTD. and its 29 subsidiaries (as of March 31, 2026).

Reference Guidelines
For editing purposes, reference was made to the International Integrated Reporting Framework recommended by the IFRS Foundation and the Guidance for Collaborative Value Creation provided by the Ministry of Economy, Trade and Industry.

For ESG-related information, we referred to the Ministry of the Environment's Environmental Reporting Guidelines (2018 version). We also used the GRI Standards as a reference guideline.

Environment Social Governance
Guidance for Collaborative Value Creation

At a Glance
Editorial Policy
Contents

Value Creation Story

Initiatives for Enhancing Corporate Value
Economic Value

Initiatives for Enhancing Corporate Value
Social Value

Achievements, Evaluations, and Corporate Data

Contents

02 At a Glance
03 Editorial Policy
04 Contents

Value Creation Story

06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

Initiatives for Enhancing Corporate Value

Economic Value

28 Business Environment Surrounding TAIYO YUDEN
29 Business Overview
33 Special Feature AI Server Demand Opportunities
36 R&D Intellectual Property Activities

Social Value

40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety

Achievements, Evaluations, and Corporate Data

74 Stakeholder Communication/ Engagement
75 Sustainability Evaluation (RBA-VAP Audit)
76 11-Year Financial and Non-Financial Summary
77 Corporate Data
78 Stock Information
79 External Evaluation

Notes

- In this report, FY 2025 refers to the period from April 1, 2025 to March 31, 2026.
- Amounts in this report are rounded down to the nearest hundred million yen or million yen, as applicable.
- The English-language version of this report is based on the Japanese-language version. With the exception of the financial statements, all figures presented have been rounded down to the nearest appropriate unit. As a result, there are cases when a presented figure differs slightly from the equivalent figure in the financial statements.
- The contents of this report are correct as of June 26, 2026. Some of the content includes information from after that date.
- The company names, system names and product names described in this report are trademarks or registered trademarks of the respective companies.
- The traditional product category "Integrated Modules & Devices" has been integrated into "Others" starting in FY2026. In this report, actual results for FY2025 and earlier are presented using the old category, while forecasts for FY2026 onward are presented using the new category.

Disclaimer

This report is intended to provide information about the business performance and strategies of the TAIYO YUDEN Group. It is not intended as an inducement to purchase or sell stock in TAIYO YUDEN. Statements in this report that are not historical fact are forward-looking statements based on the current beliefs, estimates and expectations of TAIYO YUDEN Group management. As these beliefs, estimates and expectations are subject to a number of risks, uncertainties and assumptions, actual results may differ materially. TAIYO YUDEN undertakes no obligation to update any forward-looking statements, and shall in no event be liable for any damages arising out of the use or interpretation of this material. Please refrain from copying or disseminating this material without the prior consent of TAIYO YUDEN.

Value Creation Story

— Steadily Accumulating Value —

In 1950, TAIYO YUDEN started selling its first product, barium titanate tubular ceramic capacitors.

This product was used as an essential component in transistor radios, which were the leading form of entertainment at the time, and helped to bring enjoyment to people's lives.

Later, our multilayer ceramic capacitors (MLCCs) and other electronic components have contributed to the advancement of TVs, video recorders, CD players, PCs, mobile phones, smartphones, automobiles, AI servers, and many other kinds of electronic equipment. We have steadily built up value by working toward greater comfort and convenience for people and by addressing social issues.



At a Glance
Editorial Policy
Contents

Value Creation Story
06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

Initiatives for Enhancing Corporate Value Economic Value

Initiatives for Enhancing Corporate Value Social Value

Achievements, Evaluations, and Corporate Data

CEO Message

Achieving sustainable growth as an electronic components manufacturer supporting a connected society



Katsuya Sase
Representative Director,
President and CEO

Realization of Sustainable Well-Being to Contribute to Social Happiness

TAIYO YUDEN has been striving to fulfill the core priorities adopted as its management philosophy. These include a focus on employee well-being, the betterment of local communities, and the responsibility to provide returns to shareholders. Adopted by our founder, this philosophy lives on today as the underlying spirit of our company.

When formulating the Medium-Term Management Plan 2025, which we began in FY2021, we systematized the mission and vision based on these priorities. As a result, we clarified the direction in which the Company should be moving and the attitude our employees should adopt in their work. However, I came to think that we also needed to articulate our raison d'être, specifically, what value are we bringing to society by our company's growth.

Accordingly, as we launched the Medium-Term Management Plan 2030, we have added the term sustainable well-being into our philosophical framework. This expresses our determination to make a contribution through the Company's business activities, thereby enabling people and society to remain in a state of sustained happiness. With a view toward FY2030, TAIYO YUDEN formulated a 10-year plan comprising two stages: Medium-Term Management Plan 2025 (Step 1) and Medium-Term Management Plan 2030 (Step 2). As we prepare for the challenges in that latter phase, we have once again articulated the philosophy that has long and consistently underpinned our business activities. Guided by this more clearly defined framework of corporate principles, we will continue to focus on developing innovative technologies that will lead us to tackle social issues, while aiming to achieve both contributions to our stakeholders and sustainable growth.

At a Glance
Editorial Policy
Contents

Value Creation Story
06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

Initiatives for Enhancing Corporate Value Economic Value

Initiatives for Enhancing Corporate Value Social Value

Achievements, Evaluations, and Corporate Data

Looking Back at Medium-Term Management Plan 2025:

Strengthening Adaptability to Change Based on Lessons Learned from Unachieved Targets

Looking back at the Medium-Term Management Plan 2025, we unfortunately fell short of our economic value targets. Although performance proceeded at a pace exceeding expectations for about a year and a half following the launch, the market environment subsequently deteriorated as a reaction to that, resulting in a widening gap between the plan and the actual results. Not simply a matter of accepting the situation as unavoidable due to poor conditions, we estimate that external factors accounted for 60% and internal factors for 40%.

The external factors included a succession of changes that exceeded expectations, such as the COVID-19 pandemic and the materialization of geopolitical risks. Amid changing market environment conditions, demand in each market also fluctuated greatly. For example, growth in the smartphone market fell significantly short of projections, whereas the automotive and IT infrastructure/industrial equipment markets expanded substantially. Demand for AI servers expanded rapidly, particularly in the latter half of the Medium-Term Management Plan 2025.

In the case of internal factors, our inability to adequately respond to these market changes in terms of product composition and supply capacity can be cited. Whereas we have long prioritized risk management, our response to low-frequency risk has, in retrospect, remained merely perfunctory. Having experienced the supply chain disruptions caused by the COVID-19 pandemic and international conflicts, I have become keenly aware that we faced challenges when it came to determining the extent to which we could realistically prepare for risks that, while infrequent, carry a massive impact when they do occur. The lesson learned from these experiences is the importance of building business structures that are capable of adapting to change.

Rather than attempting to fully predict societal shifts or demand fluctuation cycles, for the Medium-Term Management Plan 2030 we have placed a heavy emphasis on enhancing our ability to adapt to change. The key point lies in putting in place a system that allows for flexible operations while strengthening Q (development capability), C (profitability), and D (supply capacity) aspects. By evolving into a corporate structure capable of reliably meeting demand during periods of growth while generating consistent profits even when demand is weak, we will realize management that responds agilely to environmental changes.

Medium-Term Management Plan 2030

Medium-Term Management Plan 2025

		Target	FY2025 Actual	Comments
Economic Value	Net sales	¥480 billion	¥355.3 billion	Failed to achieve target due to a decline in demand, especially for communication equipment, and a delayed recovery from inventory adjustments.
	Operating margin	15% or higher	5.6%	Performance was short of operating margin target due to lower sales and higher expenses related to prior capital investment. Net profit margin also declined, while ROE and ROIC fell short of targets, despite the Company's withdrawal from unprofitable products.
	ROE	15% or higher	4.5%	
	ROIC	10% or higher	3.0%	
Social Value Environmental (E)	GHG emissions	FY2030 (42) %	(27.6) %	Making steady progress toward achieving the target for FY2030.
	Waste	(10) %	(0.9) %	Improving yearly; however, we fell short of target, having yet to fully enjoy the effects of measures implemented.
	Water usage	(10) %	(16.9) %	Initiatives progressed favorably; targets achieved.
Social Value Social (S)	Accident frequency rate	Less than 0.08	0.10	Ongoing efforts have led to improvements; however, we fell one step short of the target.
	Work engagement	2.5 or higher	2.28	We conducted management education for managers and supervisors; however, we did not achieve the target in this area.
	Rate of newly recruited female graduates	30% or higher	30.8%*	Achieved target through recruiting activities led by recruiters.
	Female manager ratio	FY2030 10% or higher	7.7%*	Making steady progress toward our target value for FY2030 through systematic development.

* As of April 1, 2026

At a Glance
Editorial Policy
Contents

Value Creation Story
06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

Initiatives for Enhancing Corporate Value Economic Value

Initiatives for Enhancing Corporate Value Social Value

Achievements, Evaluations, and Corporate Data

Growth Strategy for Medium-Term Management Plan 2030:

From MLCC Manufacturer to Electronic Components Manufacturer

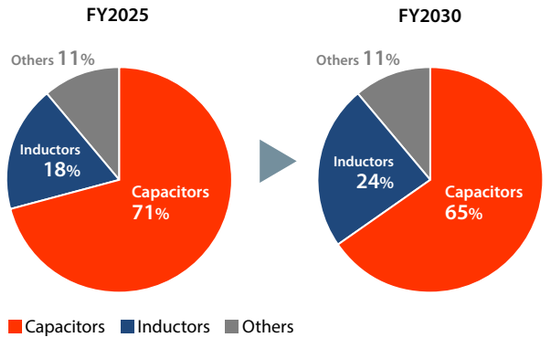
For the Medium-Term Management Plan 2030, we have set the targets for economic value at the same level as in the Medium-Term Management Plan 2025 (→ p. 19). Judging solely by the figures, this might be perceived as a renewed attempt to achieve targets that were not previously achieved. In reality, however, these are newly established targets based on updated forecasts for each business and market. In other words, even though the figures remain the same, the underlying structure differs significantly from last time, and I believe the probability of achieving the targets is also vastly different.

Most importantly, a major difference lies in how we view our business portfolio. In the Medium-Term Management Plan 2025, we prioritized cultivating second and third pillars of business to follow multilayer ceramic capacitors (MLCCs), factoring in the growth of these areas—as well as the expansion of new businesses—in our sales targets. Ultimately, whereas the inductor business yielded solid results, the communication device segment suffered a significant decline due to stalling demand for smartphones, and the launch of new businesses also faced difficulties. In light of the fact that such overly optimistic assumptions contributed to our failure to meet targets, we have formulated the targets for the Medium-Term Management Plan 2030 from a more realistic perspective. While continuing to position MLCCs at the core of our business, we have established inductors as a solid second pillar and are forecasting steady growth driven by these two product lines.

Management plans centered on both MLCCs and inductors will not only increase the probability of achieving our targets but also serve as a statement of our intent to establish ourselves as an electronic components manufacturer that offers more than just MLCCs. To achieve stable growth, it will be crucial to diversify our revenue streams, and thus we will build a balanced corporate structure by further honing the competitiveness of our MLCCs while accelerating the growth of our inductor business.

As for capital investment, we will consider accelerating the timing of investments in areas where demand is currently expanding. This, however, does not mean we will be indiscriminately venturing into areas where the outlook remains uncertain. While ensuring we do not miss out on future growth opportunities and maintaining investment discipline, I intend for us to strike a balance between supply capacity and profitability.

Changes in Net Sales Breakdown by Product Classification



Responding to Demand in High-End Markets to Help Realize a Connected Society

Our vision of society for the medium to long term is that of a connected society in which everything is networked and data flows in real time. AI servers serve as the foundation for this, and their market has been expanding rapidly in recent years. Due to the improvements in AI processing capacity, issues such as rising power consumption, power loss, and heat buildup have emerged, driving burgeoning demand for the high-performance MLCCs and inductors that will assist in resolving them.

The MLCC market is structured like a broad-based pyramid. In the case of the commodity products at the base of the pyramid, representing the lower end of the market, there are many players and price competition is fierce. In contrast, the closer toward the apex you go, the greater the level of technical expertise required, thereby limiting the number of companies capable of meeting those demands. TAIYO YUDEN's focus is on the latter, the high-end sector. We will consolidate our presence in the market by responding to highly complex customer demands, such as for small, high-capacitance products with low power consumption, by combining the various elemental technologies that are our forte.

While the performance required of inductors varies depending on the application, TAIYO YUDEN's strengths lie in areas that support next-generation designs, such as compact, high-current, embedded-substrate products. In addition to improvements in basic performance, this area demands high precision, such as in product dimensions. I believe this plays to the Company's strengths, as we possess not only advanced materials technologies but also exceptional manufacturing capabilities.

Since they are used in exceptionally high volumes, multi-vendor sourcing is standard practice for MLCCs due to procurement risk considerations. In contrast, cutting-edge inductor applications offer the potential for products with superior technological capabilities to secure a dominant market position. In that sense, I view inductors as a crucial product category for enhancing TAIYO YUDEN's presence as an electronic components manufacturer.

Steadily capturing the current demand for AI servers, we are forecasting that sales of MLCCs for AI servers in FY2026 will increase by 150% year on year (as of August 2026). However,

At a Glance
Editorial Policy
Contents

Value Creation Story
06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

Initiatives for Enhancing Corporate Value Economic Value

Initiatives for Enhancing Corporate Value Social Value

Achievements, Evaluations, and Corporate Data

while viewing AI servers as a core market within the connected society, we are not limiting our focus to that area alone. Leveraging our technological capabilities, we will propose new solutions across a wide range of fields that constitute a connected society. Those fields include AI and robotics, automotive/mobility, space, energy, healthcare, and environmental/resource circulation. Based on the realization of sustainable well-being newly adopted in our mission statement, it is my belief that this will drive the Company's sustainable growth.

Establishing a Sustainable Business Foundation:

Commitment to the Environment and Human Capital

Under the Medium-Term Management Plan 2030, our policy is to grow into a company with a meaningful presence in society. We will accomplish this by viewing economic value and social value as the twin drivers of enhanced corporate value and strengthening both in a balanced manner. Based on this policy, we have been undertaking a review of our KPIs from the Medium-Term Management Plan 2025.

With regard to the environment, we have reevaluated our ongoing GHG reduction initiatives from a longer-term perspective. Whereas the Medium-Term Management Plan 2025 already included targets looking ahead to FY2030, this time we have clarified our direction toward carbon neutrality with a view to FY2050. To strengthen efforts to reduce environmental impact across the entire supply chain, we have incorporated Scope 3 in initiatives that we had previously been advancing with a focus on Scopes 1 and 2.

We also reviewed our human capital KPIs. As safety-related metrics, we have shifted our focus from simply reducing the conventional accident rate to achieving zero serious occupational accidents. While the importance of consistent, day-to-day efforts—such as disaster preparedness drills and activities to prevent near-miss incidents—remains unchanged, the focus here is on shifting away from merely tracking numbers. Instead, we are returning to the fundamental perspective of how to create workplaces where serious occupational accidents do not occur.

With regard to our employees—the source of our corporate growth—we have also established a new HR Well-being Index. This was independently established as an indicator to quantitatively ascertain the status of a variety of aspects, such as employee well-being and health, work styles, diversity, growth, job satisfaction, and organizational culture.

Although initiatives relating to the environment and human capital are not something that yields tangible results in the short term, we view them as essential to realizing our vision, mission, and underlying management philosophy, and will continue to focus our efforts on them.

To Remain an Excellent Company That Enjoys the Trust and Highest Regard from All Stakeholders

Since its founding in 1950, TAIYO YUDEN has long been supporting the foundation of a society that is safe, secure, comfortable, and convenient through technological innovation in electronic components. Since we are aiming to be a 100-year company, this fundamental stance remains unchanged. We also aim to remain a company that contributes to the sustainable well-being of people and society by encouraging the creation of environments in which each and every employee can grow with pride and curiosity, and fully demonstrate their capabilities.

FY2026 marks the first year of the Medium-Term Management Plan 2030. Under the previous Medium-Term Management Plan 2025, we steadily laid the groundwork for the future by taking measures such as securing supply capacity by means of upfront investments and shifting toward high-value-added areas. Building upon these initiatives, I would like us to continue creating new value by leveraging our core technologies—such as electronic components and solutions that help address social issues—and remain an excellent company that enjoys the trust and highest regard from all stakeholders.

As we continue to pursue further growth through dialogue with our stakeholders, I respectfully ask for your continued support of TAIYO YUDEN.

Representative Director,
President and CEO



At a Glance
Editorial Policy
Contents

Value Creation Story
06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

Initiatives for Enhancing Corporate Value
Economic Value

Initiatives for Enhancing Corporate Value
Social Value

Achievements, Evaluations, and Corporate Data

Management Philosophy

The TAIYO YUDEN Management Philosophy

Employee well-being

Betterment of local communities

Responsibility to provide returns to shareholders

The founder of TAIYO YUDEN, Hikohachi Sato, had researched ceramic materials since before World War II.

As an engineer, he believed in beginning with materials development to create marketable products, and from this belief, he developed and commercialized titanium-oxide porcelain capacitors, founding TAIYO YUDEN in 1950. Sato also held to a human-centric belief that the most valuable thing for a human being is human love. He pursued a three-element management philosophy, believing that helping employees and their families lead happy and prosperous lives enhances the social nature of a company and contributes to the development of culture.

The creed and philosophy of our founder live on as the fundamental spirit of the TAIYO YUDEN Group.



Founder
Hikohachi Sato

The Origin of TAIYO YUDEN as a Corporate Name



Hikohachi Sato had been a researcher of dielectric ceramics before establishing our company. Sato chose TAIYO YUDEN as the name for his new company, TAIYO YUDEN CO., LTD., taking the word *yuden*, meaning dielectric, and adding the Japanese word for sun to demonstrate his desire for the business to be based on dielectric materials. The sun is a bright and warm presence. Like the sun, our company name expresses our wish to be a company that brightens the world and a company with great energy.

At a Glance
Editorial Policy
Contents

Value Creation Story
06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

Initiatives for Enhancing Corporate Value Economic Value

Initiatives for Enhancing Corporate Value Social Value

Achievements, Evaluations, and Corporate Data

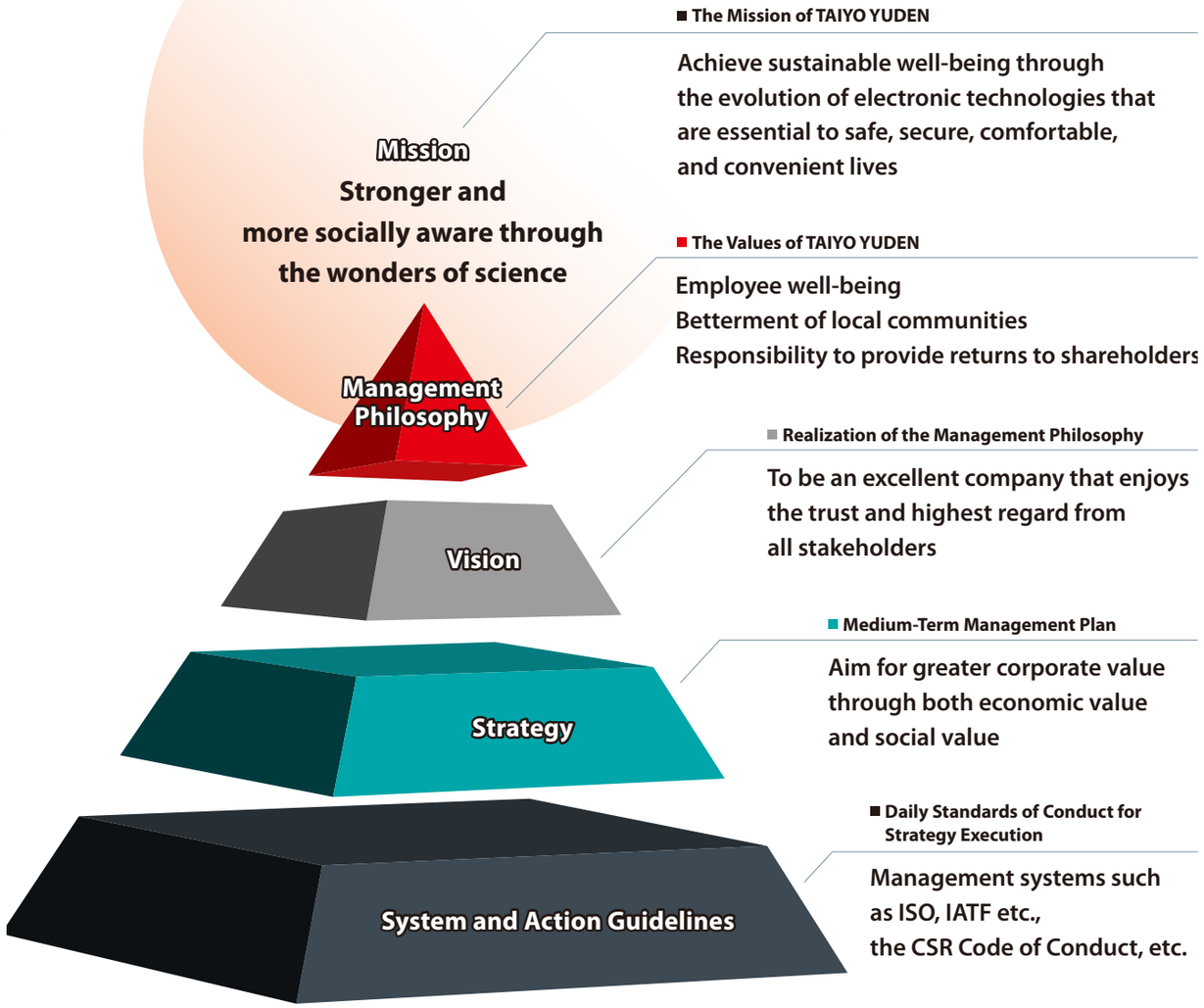
The Aims of the TAIYO YUDEN Group

Stronger and more socially aware through the wonders of science

TAIYO YUDEN's electronic components are critical in the manufacturing of various pieces of electronic equipment. Our products support the evolution of electronics technology that is indispensable for people's safe, secure, comfortable, and convenient lives.

In order to create, advance, and deliver these small but important electronic components to every corner of society, we are seeking to broaden and increase the depth of new knowledge while pursuing the sophistication of our technologies and skills. Meanwhile, the strengths that we have accumulated throughout our history have generated incidental discoveries and inspirational encounters, which opened the door to unexpected future of innovative solutions and expansion into new areas of scientific advancement. The foundation of this process is "the wonders of science," which is the source of TAIYO YUDEN's corporate value enhancement.

We will provide electronic components to the world and create greater economic value. As a company that contributes to the realization of a better society, we will continue to enhance social value. As a member of society, our constant and enduring aspiration is to fulfill this mission.



At a Glance
Editorial Policy
Contents

Value Creation Story
06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

Initiatives for Enhancing Corporate Value Economic Value

Initiatives for Enhancing Corporate Value Social Value

Achievements, Evaluations, and Corporate Data

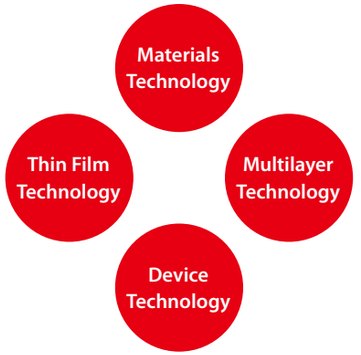
Approaches to Sustainable Well-Being

Based on our management philosophy, the TAIYO YUDEN Group aims to realize sustainable well-being, which balances social sustainability with human prosperity.

Through our business activities, we will pursue both the resolution of social issues and sustainable growth.

Elemental Technologies and Basic Research

The TAIYO YUDEN Strengths and Core Technologies



Hardware and Software

Features and Performance That Are in Demand

- **High-end**
  - High performance, high efficiency, compact size
- **High reliability**
  - Safety, long life, environmental resistance
- **High-function**
  - Low power consumption, high precision, multimodal

A Connected Society

Area of Business Focus

- **AI, Robots**
  - Digital twin
- **Automotive, mobility**
  - Diversified means of transportation
- **Space**
  - Uninterrupted communication (NTN)
- **Energy**
  - Next-generation power storage and generation
- **Healthcare**
  - Personalized medicine
- **Environment, resource recycling**
  - Creating a recycling-oriented society

Sustainable Well-Being

A Future to Achieve, A Vision to Embody

Achieve sustainable well-being through the evolution of electronic technologies that are essential to safe, secure, comfortable, and convenient lives

At a Glance
Editorial Policy
Contents

Value Creation Story
06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

Initiatives for Enhancing Corporate Value Economic Value

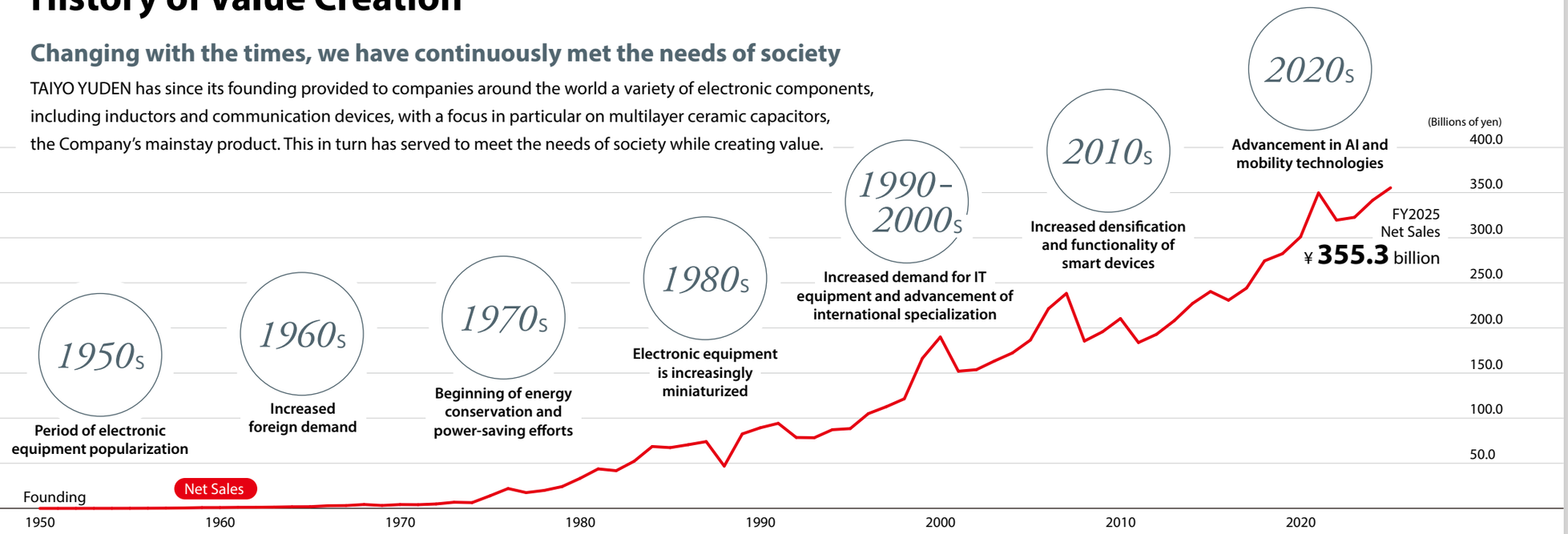
Initiatives for Enhancing Corporate Value Social Value

Achievements, Evaluations, and Corporate Data

History of Value Creation

Changing with the times, we have continuously met the needs of society

TAIYO YUDEN has since its founding provided to companies around the world a variety of electronic components, including inductors and communication devices, with a focus in particular on multilayer ceramic capacitors, the Company's mainstay product. This in turn has served to meet the needs of society while creating value.



History

Sept. 1950
Sales of Rutilcon, barium titanate tubular ceramic capacitors, began



Sept. 1954
Production of Ferrit Cores, small ferrite cores, began

Sept. 1964
Established the technical research laboratory

May 1967
Established our first overseas subsidiary TAIWAN TAIYO YUDEN CO., LTD. in Taipei

Mar. 1970
Listed on the Second Section of the Tokyo Stock Exchange. In 1973, moved to the First Section

July 1976
The world's first commercialization of axial leaded ceramic capacitors began

Oct. 1977
Developed the world's first tubular chip type ceramic capacitors

July 1984
The world's first commercialization of nickel electrode high-capacitance multilayer ceramic capacitors began

Sept. 1988
Announced the release of the world's first recordable CD-R compact discs

1999–2000
Established four production bases abroad simultaneously

Apr. 2001
Acquired the world's first Bluetooth® standard version 1.1 qualification for Bluetooth® full modules

Mar. 2010
TAIYO YUDEN Mobile Technology Co., Ltd. became a subsidiary

May 2012
Commercialized the MCOIL™ metal-based power inductors

Apr. 2018
ELNA CO., LTD. became a subsidiary

May 2018
Developed the world's first multilayer ceramic capacitors with a capacitance of 1,000µF



4532 size (4.5mm×3.2mm) with 1,000µF capacitance

Dec. 2024
Achieved the world's first metal-based power inductor with a thickness of just 0.33mm



Multilayer metal power inductor "MCOIL™ LSCN Series" (1.0mm×0.5mm×0.33mm, 0.47µH)

Dec. 2025
Commercialization of the world's first 2012 size embeddable multilayer ceramic capacitor with 100 µF capacitance



At a Glance
Editorial Policy
Contents

Value Creation Story
06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

Initiatives for Enhancing Corporate Value Economic Value

Initiatives for Enhancing Corporate Value Social Value

Achievements, Evaluations, and Corporate Data

Value Creation Process

In responding to the risks and opportunities presented by megatrends driving major global changes through our business activities, the TAIYO YUDEN Group supports the evolution of a connected society and is building a value creation process aimed at realizing sustainable well-being throughout the world.

Mission Stronger and more socially aware through the wonders of science

Management Philosophy Employee well-being Betterment of local communities Responsibility to provide returns to shareholders

Achieve Sustainable Well-Being × Supporting the Evolution of a Connected Society

Megatrends

Macro Environment

- Climate change
- Tighter environmental regulations
- International trade friction
- Threat of natural disasters, infectious disease outbreaks
- Resource depletion
- Geopolitical risk

External Environment

- Digital twin (Coexistence with AI)
- Diversified means of transportation (Automobiles, mobility)
- Uninterrupted communication (Electronic devices in space, NTN)
- Energy (Power storage everywhere)
- Healthcare (Personalized medicine)

Operating Capital

FY2025

Financial Capital	
Total assets	¥615.5 billion
Equity ratio	56.0%
Intellectual Capital	
R&D expenses	¥14.5 billion
Manufactured Capital	
No. of production sites	19
Human Capital	
No. of consolidated employees	20,604
Social and Relationship Capital	
Years since founding	76
Years listed on a stock exchange	56
Natural Capital	
Energy (electricity) usage	1,058,150 MWh
Water usage	4,234 thousand m³

Leverage Through Business Activities

Vision

To be an excellent company that enjoys the trust and highest regard from all stakeholders

Creating Value Through Business Activities

- Improving economic value through strengthened QCD (Business continuity and expansion; and strengthening corporate growth potential)
- Enhance social value through environmental (E) and social (S) activities (Improving social and planetary sustainability)
- Governance (G) Improve management stability, support corporate activities, and strengthen stakeholder confidence

Business Opportunities

- Develop electronic components that provide high added value
- Develop devices that contribute to a sustainable society
- Develop solutions for well-being

Outcomes

Medium-Term Management Plan 2030

Economic Value

Net sales	¥480 billion
Operating margin	15%
ROE	15%
ROIC	10%

Social Value

Environmental	
Carbon neutrality (Scope 1+2)	Achieve by FY2050
Renewable energy adoption rate	FY2040 100%
GHG Scope 1+2 emissions (compared to FY2020)	FY2030 42% reduction
GHG Scope 3 emissions (compared to FY2021*)	FY2030 25% reduction
Social	
No. of serious occupational accidents	Zero (maintained)
HR Well-being Index	Improve 10% or higher by FY2030

* Scope 3 reduction targets are for categories 1 and 3.

At a Glance
Editorial Policy
Contents

Value Creation Story
06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

Initiatives for Enhancing Corporate Value Economic Value
Initiatives for Enhancing Corporate Value Social Value
Achievements, Evaluations, and Corporate Data

TAIYO YUDEN's Value Provision

Expanding the scope of value provision to create a connected society

TAIYO YUDEN's products are widely used in familiar, everyday products such as smartphones, PCs, and game consoles. Recent years have seen a rise in new demand, driven by ongoing automobile digitalization and electrification, as well as AI server growth in line with the spread of data centers. This enables TAIYO YUDEN, which develops products essential for these technological advances, to provide an even wider range of value.

Others 7%

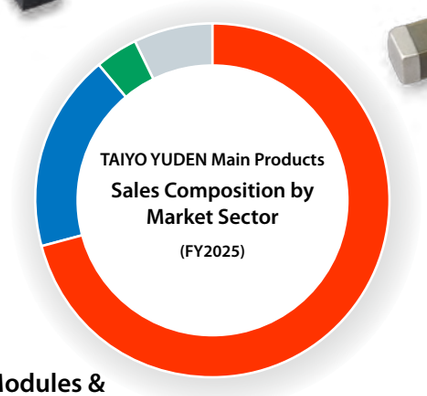
TAIYO YUDEN offers aluminum electrolytic capacitors that are optimal for mounting on automobiles and promote digitalization and electrification.



Capacitors 71%

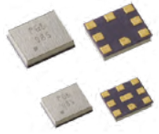
Capacitors are used in a wide variety of electronic equipment to temporarily store electricity and remove electronic noise. TAIYO YUDEN excels in producing leading-edge, highly reliable multilayer ceramic capacitors which are best suited to cutting-edge electronic devices including AI servers and automobiles, and large numbers of multilayer ceramic capacitors are loaded into such devices.





Integrated Modules & Devices 4%

The Integrated Modules & Devices classification's main products are FBAR/SAW devices for communications, which are used primarily in smartphones to enable high-speed and high-quality data communications.



Inductors 18%

Inductors are used in electronic equipment power and high-frequency circuits for blocking alternating current while allowing direct current to pass through.



AI Servers

Contributing to a data-driven society with high-value-added products that support the evolution of AI

The spread of generative AI has led to a sharp increase in AI server demand. TAIYO YUDEN leverages its advanced technological capabilities to provide compact, large-capacity multilayer ceramic capacitors (MLCCs) and high-efficiency inductors, contributing to the resolution of issues by improving processing capacity and reducing power loss. We will build advanced information infrastructure and support the foundation of an information-based society with the aim of creating sustainable value.

Automotive

Supporting the evolution of automobiles advancing digitalization and electrification with high reliability

In line with automobile electrification and digitalization represented by software-defined vehicles (SDVs), the requirements for electronic components are becoming increasingly complex. TAIYO YUDEN ensures stable operation even in harsh environments, and continues to meet new demands as automobile designs evolve. We will expand business and work to resolve social issues to realize a safe and secure mobility society.

Sales Composition by Application (FY2025)



IT infrastructure / Industrial equipment — 24%
- Servers
- Base station communication device
- Security cameras



Automotive — 30%
- Advanced driver assistance systems (ADAS)
- Meter clusters
- Electronic control units



Communication equipment — 21%
- Smartphones



Information equipment — 17%
- Tablet devices
- PCs
- HDD/SSD



Consumer products — 8%
- Game consoles
- Smartwatches
- Wireless earphones

At a Glance
Editorial Policy
Contents

Value Creation Story
06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

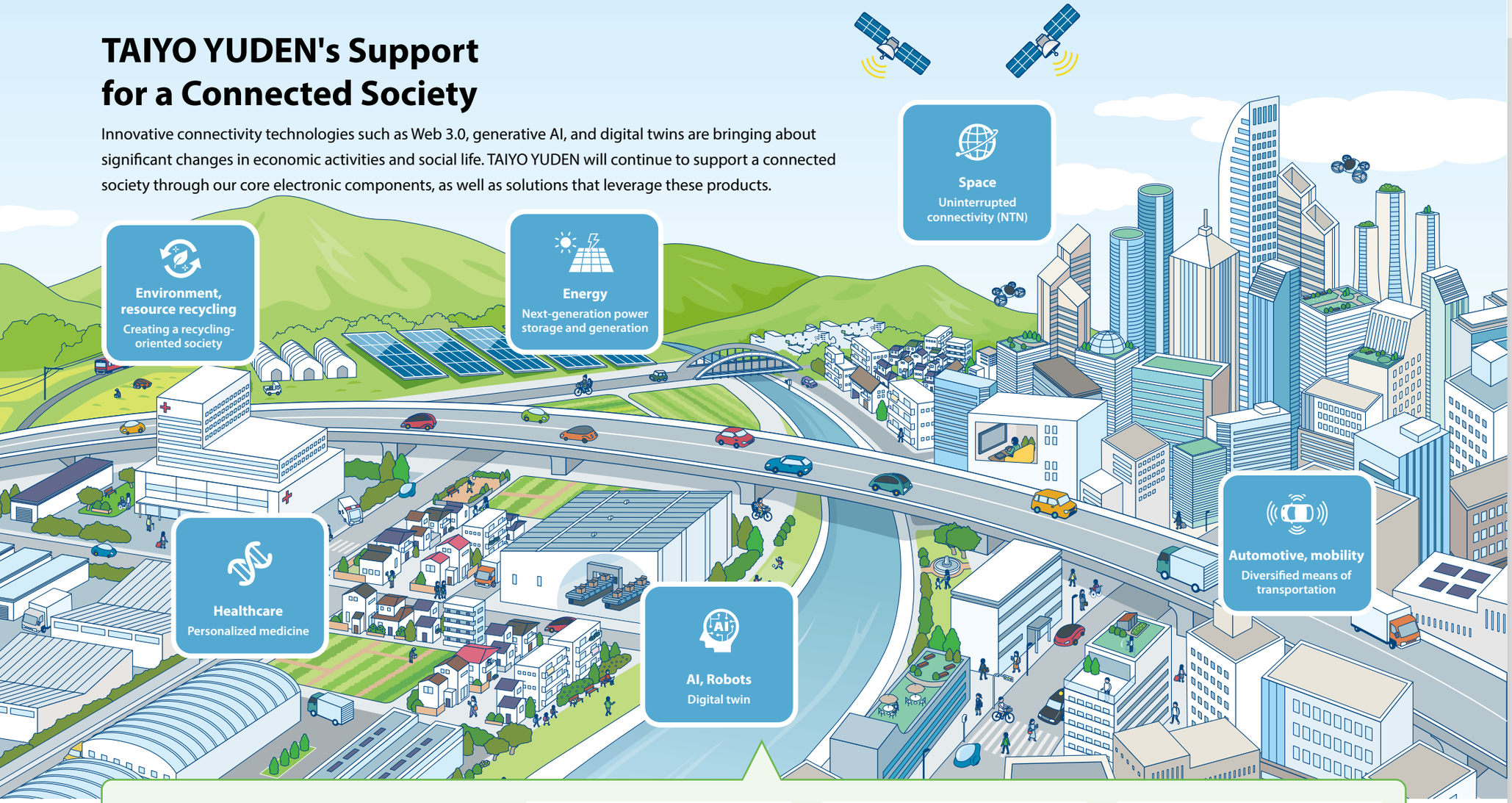
Initiatives for Enhancing Corporate Value Economic Value

Initiatives for Enhancing Corporate Value Social Value

Achievements, Evaluations, and Corporate Data

TAIYO YUDEN's Support for a Connected Society

Innovative connectivity technologies such as Web 3.0, generative AI, and digital twins are bringing about significant changes in economic activities and social life. TAIYO YUDEN will continue to support a connected society through our core electronic components, as well as solutions that leverage these products.



TAIYO YUDEN's Contributions to a Connected Society

- Develop high-value-added electronic components
- Develop devices that contribute to a sustainable society
- Develop solutions for well-being

At a Glance
Editorial Policy
Contents

Value Creation Story
06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

Initiatives for Enhancing Corporate Value Economic Value

Initiatives for Enhancing Corporate Value Social Value

Achievements, Evaluations, and Corporate Data

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 2030, which began in FY2026, 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

Step 1 Establish mission and reaffirm management philosophy and vision

TAIYO YUDEN celebrated its 70th anniversary in 2020. To mark this occasion, it established a new mission of "stronger and more socially aware through the wonders of science," which is to be pursued unchanged and perpetually to become a centennial company. In addition, we reaffirmed our management philosophy, which is our value, and our vision.

Step 2 Extract issues and initiatives relating to economic and social values

During the discussions in Step 1, we recognized that increasing corporate value perpetually requires increasing not only economic value but also social value. We reviewed and extracted issues and initiatives related to economic and social values that we had been aware of.

Step 3 Gauge the demands and expectations of stakeholders

We engaged (held constructive dialogue) with shareholders, investors, customers, business partners, employees, and other stakeholders to gauge their demands and expectations for TAIYO YUDEN and the extent to which we can make a contribution.

Step 4 Set priority order and extract issues as materiality

Based on the details outlined through Step 3 (issues extracted, demands and expectations for TAIYO YUDEN, extent of feasible contribution, degree of relevance to the business, etc.), we extracted issues that the Company should continue to prioritize.

Step 5 Approve materiality

We identified a set of issues as materiality in the course of the numerous discussions among management. Materiality was then approved by the Board of Directors and announced.

Materiality and Priority Measures

Category		Materiality (Key Issues)	Medium-Term Management Plan 2030 Priority Measures	Medium-Term Management Plan 2030 KPIs		Related Pages
				Item	Target	
Economic Value		Strengthen core technologies to make our core business grow Responding to social issues through the creation of advanced products and solutions	Product Strategy Increase sales across all categories, including capacitors, inductors, and others, by expanding sales of high-value-added products	Net sales	¥ 480 billion	Medium-Term Management Plan 2030 Business Overview
				Operating margin	15%	
			Market Strategy Increase the proportion of sales in focus markets, primarily IT infrastructure/industrial equipment and automotive, to 60%	ROE	15%	
				ROIC	10%	
Social Value	(E) Environmental	Strengthen responses to climate change	Accelerate our efforts with numerical targets to improve our social value	Carbon neutrality	Achieve by FY2050 (Scope 1 + 2)	Environmental Initiatives
		Effective use of resources and contribution to building a recycling-oriented society		Renewable energy adoption rate	100% by FY2040	
	(S) Social	Health management and workplace innovation in a safety-first workplace		GHG Scope 1 + 2 emissions	42% reduction by FY2030 (vs. FY2020)	
		Diversity-based human resources development and training		GHG Scope 3 emissions	25% reduction by FY2030 (vs. FY2021)	
				Serious occupational accidents	Zero (FY2026–FY2030)	Health and Safety
				HR Well-being Index	Improve 10% or higher by FY2030	Human Resources Strategy
	(G) Governance	Governance that fosters greater stakeholder trust	—	—		Corporate Governance
		Improve management stability to support business growth				Risk Management and Compliance

At a Glance
Editorial Policy
Contents

Value Creation Story
06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

Initiatives for Enhancing Corporate Value Economic Value

Initiatives for Enhancing Corporate Value Social Value

Achievements, Evaluations, and Corporate Data

Medium-Term Management Plan 2030

Basic Policy

Enhance corporate value by focusing on economic and social value, positioning ourselves as a significant electronic component manufacturer

Improving Economic Value Through Strengthened QCD
(Business continuity and expansion; and strengthening corporate growth potential)

Business Model
Based on the electronic components business, develop materials and leverage our advanced technological capabilities to consistently create high-value-added, high-quality products.

Establish a firm position for MLCC, our core business. Build a well-balanced corporate structure upon a second pillar of inductors.

Q [Development Capability]	Identify cutting-edge market zones as a main target and expand share in high-value-added products.
C [Profitability]	Expand the business by focusing on areas where product value is well evaluated to generate stable profits.
D [Supply Capability]	Expand capacity and build a borderless production system with an uninterruptable supply to customers, even in the event of a disaster or geopolitical risk.

Enhance Social Value Through Environmental and Social Activities
(Improving social and planetary sustainability)

Sustainability Action
Aim to achieve sustainable well-being through our corporate activities

Solve Social Issues	
E [Environmental]	Contribute to the realization of a recycling-oriented society by integrating GHG reduction activities with business operations and strengthening the use of renewable energy and resources.
S [Social]	Make Safety First the foundation of business activities. Pursue human capital management and foster workplaces where employees enhance their value and maximize their capabilities.
Create Social Value	
E/S [Environmental/ Social]	Develop products and solutions that contribute to a healthy, safe, and secure citizen life, thereby contributing to society.

G [Governance]: Pursue governance that enhances sustainable management quality, supports corporate activities, and increases trust from stakeholders.

At a Glance
Editorial Policy
Contents

Value Creation Story
06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

Initiatives for Enhancing Corporate Value Economic Value

Initiatives for Enhancing Corporate Value Social Value

Achievements, Evaluations, and Corporate Data

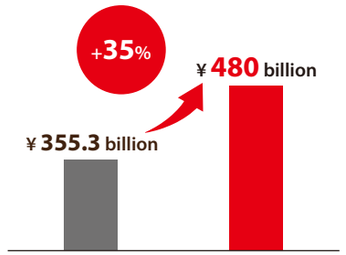
Key Performance Indicators

Achieve the targets not achieved under the Medium-Term Management Plan 2025; post record-high net sales and operating profit.
Social value has set new targets for occupational injuries and employee well-being.

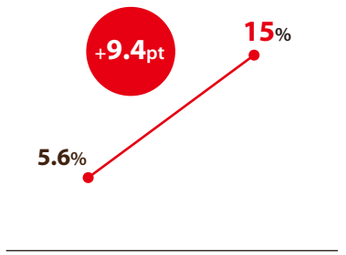
Economic Value

	Target for FY2030
Net sales	¥480 billion
Operating margin	15%
ROE	15%
ROIC	10%

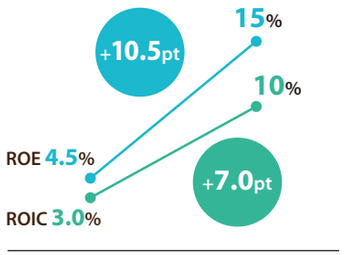
Net sales



Operating margin



ROE/ROIC



Growth Strategy ▸Expand sales of high-value-added products ▸Increase proportion of sales in focus markets

Social Value

		Target	Target Year	Report Page
Environmental	Carbon neutrality	Achieve (Scope 1 + 2)	FY2050	Environmental Initiatives
	Renewable energy adoption rate	100%	FY2040	
	GHG Scope 1 + 2 emissions	42% reduction compared to FY2020	FY2030	
	GHG Scope 3 emissions	25% reduction compared to FY2021	FY2030	
Social	No. of serious occupational accidents	Zero (FY2026–FY2030)	FY2030	Health and Safety
	HR Well-being Index	Improvement rate of 10% or higher	FY2030	Human Resources Strategy

At a Glance
Editorial Policy
Contents

Value Creation Story
06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

Initiatives for Enhancing Corporate Value Economic Value
Initiatives for Enhancing Corporate Value Social Value
Achievements, Evaluations, and Corporate Data

Sales Plan by Product

TAIYO YUDEN expects net sales to increase across all three segments in line with expanded sales of high-value-added products.
We aim to achieve a 60% proportion of sales in focus markets by FY2030.

Capacitors

FY2025 Results ¥251.8 billion

US$1 = ¥149.99

Target for FY2030 ¥314.0 billion

Assuming US$1 = ¥140

Initiatives

- Expand sales opportunities for high-value-added products for AI servers to meet the demand for more compact size and larger capacity
- Expecting the increase in the number of capacitors installed per unit for automotive applications to remain stable as the ratio of ADAS installed in automobiles rises and becomes more sophisticated

Inductors

FY2025 Results ¥64.3 billion

Target for FY2030 ¥113.0 billion

Initiatives

- Demand for power inductors for AI servers increased significantly due to changes in power delivery methods
- The number of inductors installed per unit for automotive applications is increasing in line with the rise in the ratio of ADAS installations and the sophistication of products
- Metal products for communication equipment maintained high market share, supported by needs for miniaturization and higher currents

Others

FY2025 Results ¥39.2 billion

Target for FY2030 ¥53.0 billion

Initiatives

- Increased sales of hybrid aluminum electrolytic capacitors (hybrid capacitors) with the shift to 48V in automobiles, etc.
- Expanded sales of communication devices for automobiles by taking advantage of their high reliability, and entered new markets
- Expanded sales of new businesses and products

Percentage of Sales in Focus Markets

IT Infrastructure/Industrial Equipment
+
Automotive

FY2025 Results 54%

Target for FY2030 60%

At a Glance
Editorial Policy
Contents

Value Creation Story
06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

Initiatives for Enhancing Corporate Value Economic Value

Initiatives for Enhancing Corporate Value Social Value

Achievements, Evaluations, and Corporate Data

Message from the Officer in Charge of Finance

Focusing on high-value-added areas, increasing profitability and supporting sustainable growth



Tomomitsu Fukuda
Director and Senior Executive Operating Officer in Charge of Management Planning Headquarters

Looking Back at FY2025

A Year in which We Laid the Foundation for Recovery in Profitability

In addition to increased sales of multilayer ceramic capacitors (MLCCs) for AI servers and automotive applications, inductors such as those for memory modules also contributed to improved business performance in FY2025, resulting in year-on-year revenue and profit growth.

As the final fiscal year of our five-year Medium-Term Management Plan 2025, when again looking back at FY2025 I view it as one in which we worked to optimize our earnings structure while advancing preparations for our next phase of growth.

Amid a challenging profit environment from the middle of FY2022 onward due to sluggish demand and prolonged inventory adjustments, the Company had been making upfront investments on an ongoing basis to strengthen future supply capacity. However, in part because the recovery in demand was slower than anticipated, the burden of fixed costs became particularly onerous. In light of such circumstances, we curbed investment and promoted the optimization of fixed costs during FY2025 and were able to achieve a certain level of results.

In the meantime, there were also challenges. Due to a prolonged slump in demand, in the communication devices business we implemented a second round of structural reforms while reducing the scale of the business and costs. We are currently working on restructuring the business by shifting toward high-value-added areas.

At a Glance
Editorial Policy
Contents

Value Creation Story
06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

Initiatives for Enhancing Corporate Value Economic Value

Initiatives for Enhancing Corporate Value Social Value

Achievements, Evaluations, and Corporate Data

Medium-Term Management Plan 2030

Accelerating Expansion into High-Value-Added Areas

Under the Medium-Term Management Plan 2030, the core of our growth scenario is to improve profitability in stages by increasing the ratio of high-value-added products. Promoting a shift in our product mix in line with changes in the composition of demand, the intention is to raise profitability over the course of several years.

In contrast, AI-related demand is currently rising at a faster pace than initially anticipated, thus presenting a prime opportunity to deliver results ahead of schedule. In this sense, I view FY2026 not only as the launch year of the Medium-Term Management Plan 2030 but also as a crucial year for establishing the framework for our next phase of growth. It is my belief that enhancing our development capabilities and establishing a system to supply high-end products in a timely manner will determine our growth potential from the next fiscal year onward.

With regard to capital investment for the duration of the Medium-Term Management Plan 2030, we had planned to implement increases in capacity of approximately 10% annually across our entire MLCC operations. However, in light of AI server demand exceeding our forecasts, I project that we will increase capacity by 10–15% in FY2027. Rather than investing heavily across the board, we are focusing on investments designed to resolve bottlenecks in high-growth areas such as products for AI servers while carefully balancing investment and returns on investment.

Under the Medium-Term Management Plan 2030, we have outlined a policy to increase to 60% the sales ratio of focus markets—such as IT infrastructure/industrial equipment and automobiles—but this does not imply an over-reliance on any specific market. My view is that if we secure an appropriate position in markets where demand growth is anticipated and which align well with our high-value-added strategy, that ratio will ultimately reach 60% as a result. I believe it is important to make investment decisions that seize growth opportunities while maintaining investment discipline.

Advancement of ROIC-Based Management

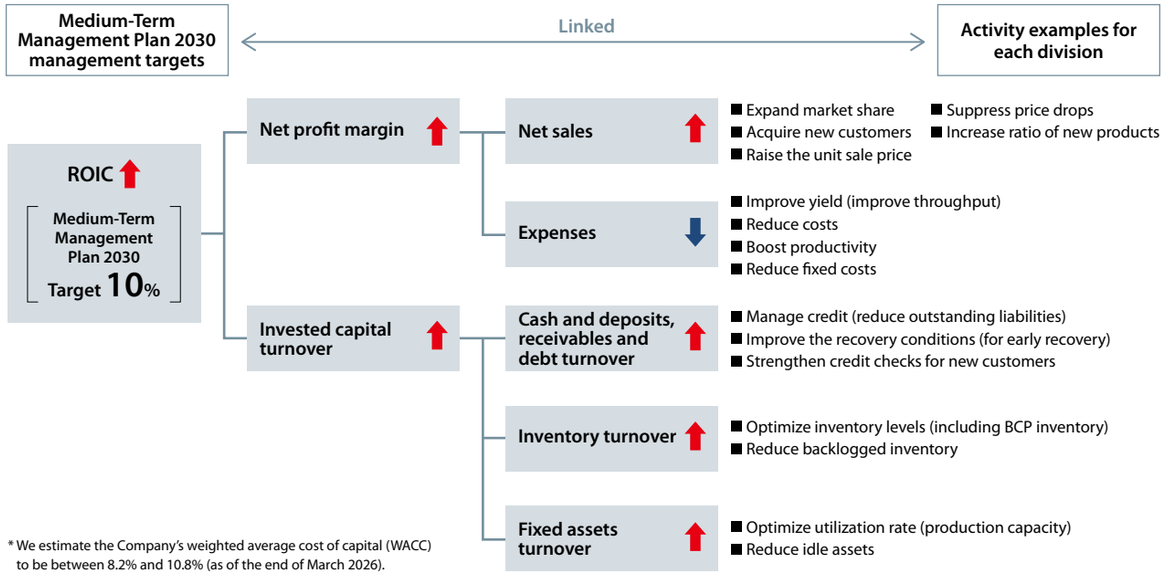
Selection and Concentration Advanced by Clarifying Decision-Making Criteria

Starting with the Medium-Term Management Plan 2025 we adopted a return on invested capital (ROIC)-based management approach. The greatest achievement arising from that has been that the criteria for evaluating businesses have become clear. It has become easier than ever—both for senior management and for all working-level staff—to determine which business areas should receive resource allocations and where to pursue a strategy of selection and concentration. It was for the very reason that we had such a framework for decision-making in place that we were able in some respects to quickly clarify our direction with regard to measures such as the structural reform of our communication devices business and the scaling back of our circuit module business.

If we break down the elements of ROIC into profitability and efficiency, I view the ongoing improvement of profitability as a challenge. To address this challenge, we plan to enhance our development capabilities and increase sales of high-value-added products.

With regard to efficiency, the need to strike a balance with

ROIC Tree



* We estimate the Company's weighted average cost of capital (WACC) to be between 8.2% and 10.8% (as of the end of March 2026).

At a Glance
Editorial Policy
Contents

Value Creation Story
06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

Initiatives for Enhancing Corporate Value Economic Value

Initiatives for Enhancing Corporate Value Social Value

Achievements, Evaluations, and Corporate Data

business continuity is currently being called into question, and we are required to maintain a certain level of inventory as part of our Business Continuity Plan (BCP) measures. Measures designed to maintain stable supplies in the event of an emergency—such as production base diversification and the securing of multiple logistics channels—can sometimes also have aspects that reduce efficiency in the short term. However, viewing them as a necessary initiative to continue fulfilling our supply responsibilities as a company, I believe such measures to be connected to sales, profits, and ultimately, corporate value.

Based on this understanding, to work toward an improvement in ROIC, we will also strengthen management with regard to both throughput ratio and fixed cost ratio aspects. We will visualize key metrics—such as whether high-value-added products are selling as targeted and whether fixed costs are commensurate with the scale of sales—to establish a structure that enables continuous improvement of our operating margin.

Capital Allocation Policy

Prioritizing Balance Between Three Elements: Growth Investments, Shareholder Returns, and Sound Financials

Under the Medium-Term Management Plan 2030, our approach to capital allocation is to prioritize the balancing of three elements: growth investments, shareholder returns, and sound financials.

While growth investment is essential for enhancing the Company's corporate value, we have already established a certain level of supply capacity by means of the ongoing upfront investments made under the Medium-Term Management Plan 2025. In the years to come, we will remain more keenly aware of the importance of financial soundness and conduct management operations with a focus on investment efficiency.

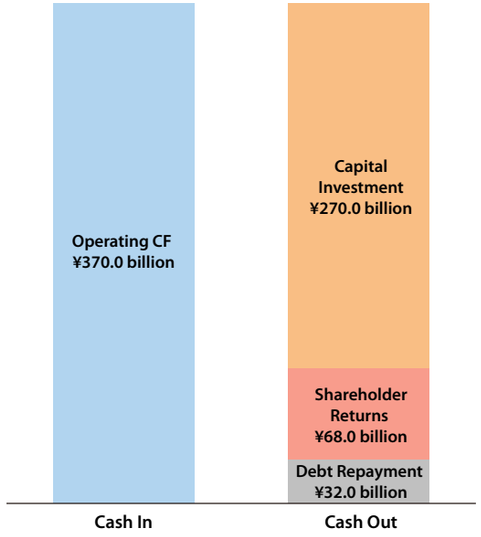
Under the Medium-Term Management Plan 2030 the basic policy for capital investment is to focus investments on high-profit areas that offer the prospect for high returns, while keeping spending within the amount of depreciation. I believe that this will enable us to absorb the investment burden and lead to the stable generation of free cash flow.

With regard to our balance sheets, rather than setting specific numerical targets, we are placing priority on maintaining a balance between investment and financial soundness. We are devising ways to conduct flexible operations that respond to market changes, curtailing investment when demand is weak, while investing to gain returns when opportunities arise. By means of this approach, we aim to strike a balance so that we do not miss out on growth opportunities or undermine our financial foundation.



Capital Allocation Under Medium-Term Management Plan 2030

FY2026 - FY2030



Growth Investments

- Pursue growth investments that increase the value of management resources generated by the Company that, in turn, become a further source of investments
- We expect capital investments to be at the same level as depreciation and amortization
- Focus on profitability and capital efficiency to strengthen business competitiveness and achieve sustainable growth

Shareholder Returns

- Pay stable and responsible dividends in accordance with management philosophy
- Shareholder return indicators: dividend payout ratio of 30% and DOE of 3.5%

Sound Finances

- Strengthen financial position to support sound and improving corporate value; target equity ratio of 60% or more
- Expand FCF to reduce net debt

At a Glance
Editorial Policy
Contents

Value Creation Story
06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

Initiatives for Enhancing Corporate Value Economic Value

Initiatives for Enhancing Corporate Value Social Value

Achievements, Evaluations, and Corporate Data

To Our Investors

In Working Toward Sustainable Growth, Shifting to a Profit-Generating Structure

When assessing our growth potential, the first point I would like investors to focus on in the coming years is the improvement of our operating margin. Of equal importance is whether that improvement is accompanied by sales growth. I would also like them to focus on whether the Company is shifting to an organization that generates sustainable earnings, as evidenced by improvements in ROIC and free cash flow as well as progress in optimizing fixed costs.

With regard to shareholder returns, our policy prioritizes dividend stability, and we have set a target of a 30% dividend payout ratio combined with a 3.5% Dividend on Equity (DOE). In the medium- to long-term, we aim for a DOE of 4.5%, but we view this as an outcome to be achieved as the result of achieving a stable ROE of 15%. The first step is to build a corporate structure capable of boosting the operating margin and reliably securing net profit. I believe that if our earnings power steadily increases, the result will be an improvement in ROE and an ability to raise the level of DOE.

The shift we are pursuing under the Medium-Term Management Plan 2030 centers on steadily restoring our earnings power while increasing the sales ratio of high-value-added products. I would appreciate it if you too could view TAIYO YUDEN from a medium- to long-term perspective as we work to look beyond mere short-term figures and shift instead to a structure that generates sustainable earnings.

Shareholder Return Policy under Medium-Term Management Plan 2030

Target for FY2021-FY2024	Targets for FY2025	Targets for FY2030	Medium- and Long-Term Objectives
Dividend payout ratio 30%	Dividend payout ratio 30% DOE 3.5%	Dividend payout ratio 30% DOE 3.5%	Dividend payout ratio 30% DOE 4.5%

	FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Results
Dividend payout ratio	19%	48%	135%	482%	76%
DOE	3.7%	3.8%	3.7%	3.8%	3.8%
Share buybacks	¥5.0 billion	0	0	0	0

At a Glance
Editorial Policy
Contents

Value Creation Story
06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

Initiatives for Enhancing Corporate Value Economic Value

Initiatives for Enhancing Corporate Value Social Value

Achievements, Evaluations, and Corporate Data

TAIYO YUDEN's Management Capital

TAIYO YUDEN's management capital is the source of value creation generating both economic and social value.
Driven by "the wonders of science," we bring together technologies, human resources, manufacturing and social connections to develop and ensure a stable supply of high-end electronic components and products that meet the needs of a changing society.

Financial capital	■ **Sound financial structure**	■ Total assets ■ Equity ratio	¥ **615.5** billion **56.0** %	We are working to improve our ROIC and, especially, our profit margins. We are focusing on high-value-added zones, determined through profitability evaluations, while at the same time making adjustments in areas such as our balance of fixed costs. This includes selling off or pulling products with low future growth potential and implementing structural reforms in businesses with declining profitability. Additionally, we maintain financial soundness by improving the equity ratio, while introducing DOE* to provide shareholder returns with an emphasis on stability.
Intellectual capital	■ **Core technologies that create cutting-edge products**	■ R&D expenses ■ Number of patents held	¥ **14.4** billion **1,496** (Japan) **2,172** (Overseas)	With the R&D slogan, "Driving research from a business perspective," we strive to develop products with a focus on overall optimization, from the development of cutting-edge materials to mass production. We are also enhancing our capabilities in the high-end and high-reliability segments. In our intellectual property activities, we create, protect, and utilize intellectual property through management methods optimized for individual businesses.
Manufacturing capital	■ **Global production system to maintain a steady supply of products**	■ Number of production bases ■ Capital investment	**19** ¥ **40.4** billion	We have production bases in five countries including Japan, through which we strive to maintain a steady supply of products. We use ongoing capital investment to improve our production capacity with an eye toward future growth and also to improve productivity. We are working to build a robust production system while also focusing on improving quality and reducing our environmental impact.
Human capital	■ **Hiring and developing diverse personnel to drive our management strategies**	■ Number of employees (consolidated) ■ Training expenses per employee	**20,604** ¥ **73,440**	We recruit a diverse workforce, promote global management, nurture and advance the next generation of business leaders, and implement various training and educational programs that empower employees, including initiatives that promote women's participation. In the Medium-Term Management Plan 2030, we established the HR Well-being Index as a new indicator. We will quantitatively assess ease and fulfillment in work and incorporate this information into human capital management efforts.
Social/related capital	■ **Sustainability activities based on global standards** ■ **Building and maintaining trust-based relationships with business partners**	■ Number of years since founding ■ Number of years since public listing ■ Business sites in	**76** **56** **13** countries and regions	We comply with all applicable laws, regulations, and international rules and we live up to our corporate social responsibility. By doing so, we earn the trust of our stakeholders. We also strive to establish greater mutual trust with our business partners and develop together through activities such as regular assessments and briefing sessions.
Natural capital	■ **Minimization of energy usage in product manufacturing** ■ **Sustainable use of resources**	■ Energy (electricity) consumption ■ Water use	**1,037,396** MWh **4,234,000** m^3	We strive to contribute to the achievement of global environmental targets, recognize the importance of disclosing climate-related financial information, and endorse the TCFD. We also conduct GHG emissions surveys of our business partners and support them in calculating their emissions volumes with the aim of reducing GHG emissions from the entire supply chain.

*Dividend on equity

At a Glance
Editorial Policy
Contents

Value Creation Story
06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

Initiatives for Enhancing Corporate Value Economic Value

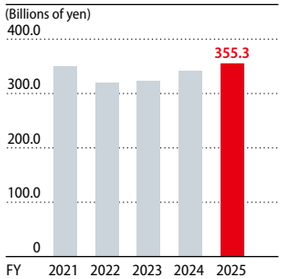
Initiatives for Enhancing Corporate Value Social Value

Achievements, Evaluations, and Corporate Data

Financial and Non-Financial Highlights

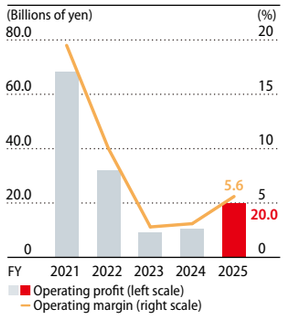
[Financial]

Net sales ¥355.3 billion 4.1% up (YoY)



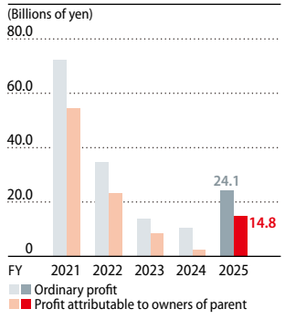
Sales increased, mainly for automotive and IT infrastructure/industrial equipment, leading to higher net sales compared to the previous fiscal year. While sales of capacitors and inductors increased, sales of integrated modules & devices declined. By application, automotive and IT infrastructure/industrial equipment, which are positioned as focus markets for medium- to long-term growth, accounted for 54% of sales.

Operating profit ¥20.0 billion 91.2% up
Operating margin 5.6 % 2.5pt up



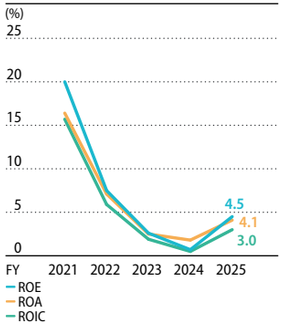
The effect from capacity utilization resulting from increased sales volumes contributed to higher operating profit and an improved operating margin compared with the previous fiscal year. Although selling prices declined, the decline was more moderate than in the previous fiscal year or as initially anticipated at the beginning of the fiscal year. Regarding fixed costs, although depreciation expenses increased, their impact on operating profit was limited because other expenses were kept under control.

Ordinary profit ¥24.1 billion 129.4% up
Profit attributable to owners of parent ¥14.8 billion 535.9% up



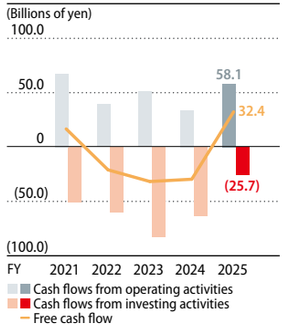
Ordinary profit increased substantially compared with the previous fiscal year, driven by higher operating profit and foreign exchange gains. Despite recording an extraordinary loss for structural reforms related to the integrated modules & devices business, the significant impact of the increase in operating profit resulted in a substantial year-on-year increase in profit attributable to owners of parent.

ROE 4.5 % 3.8pt up
ROA 4.1 % 2.3pt up
ROIC 3.0 % 2.5pt up



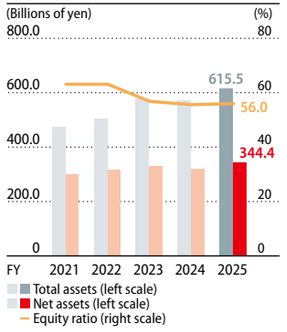
ROE, ROA, and ROIC all increased from the previous fiscal year due to higher sales, which in turn, led to growth in profits. We are also continuing efforts to improve productivity using ROIC as a key metric.

Cash flows from operating activities ¥58.1 billion 71.2% up
Cash flows from investing activities ¥(25.7) billion Narrowing of negative outflow
Free cash flow ¥32.4 billion Turned positive



Free cash flow improved significantly. This was attributable to the expansion of cash flows from operating activities resulting from higher net income, as well as a narrowing of negative cash flows from investing activities as major capital investments ran their course.

Total assets ¥615.5 billion 7.4% up
Net assets ¥344.4 billion 7.9% up
Equity ratio 56.0 % 0.4pt up



Total assets increased mainly due to an increase in cash and deposits resulting from the improvement in free cash flow. In addition, the equity ratio increased year on year in line with the increase in profit attributable to owners of parent.

At a Glance
Editorial Policy
Contents

Value Creation Story
06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

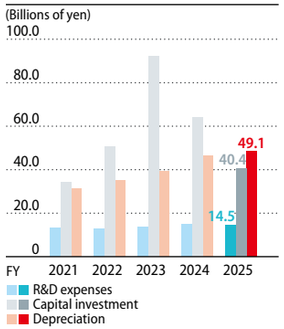
Initiatives for Enhancing Corporate Value Economic Value

Initiatives for Enhancing Corporate Value Social Value

Achievements, Evaluations, and Corporate Data

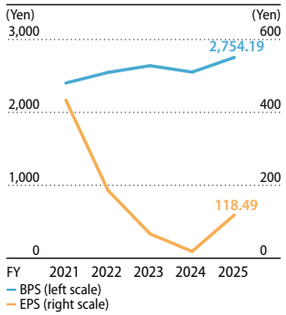
Detailed financial data including statements of income, balance sheets, and cash flows is available in the Financial Highlights section of our Investor Relations website.

R&D expenses ¥14.5 billion 3.8% down
Capital investment ¥40.4 billion 37.0% down
Depreciation ¥49.1 billion 6.2% up



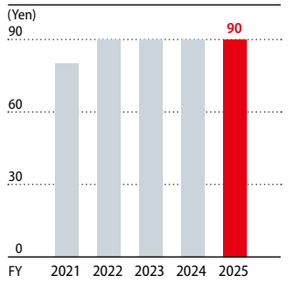
Capital investment decreased significantly compared with the previous fiscal year, when we launched a new plant. Meanwhile, we are expanding production capacity for high-reliability and large-sized products in the capacitor business. We are also advancing initiatives to develop new products and new businesses.

BPS ¥2,754.19 7.9% up
EPS ¥118.49 534.7% up



Both BPS and EPS increased, mainly due to foreign currency translation adjustments resulting from exchange rate effects and an increase in profit attributable to owners of parent.

Cash dividends per share ¥90 unchanged

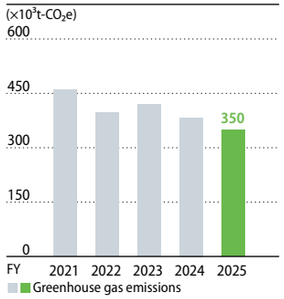


Under a basic policy stipulating a dividend payout ratio of 30% and a dividend on equity (DOE) ratio of 3.5%, we paid a dividend of ¥90 per share.

[Non-Financial]

Greenhouse gas (GHG) emissions* 350×10³t-CO_2e 8.6% down

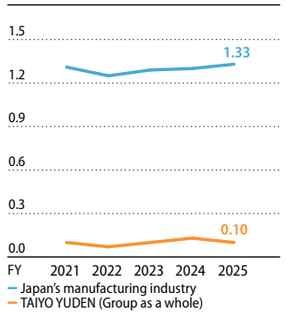
*Scope1 (direct emissions from the use of energy), Scope2 (indirect emissions from energy use) in total



We strive to reduce GHG emissions through energy-saving measures at our production and infrastructure facilities, as well as the expanded use of renewable energy. In FY2025, we newly installed an on-site solar power generation facility at the Takasaki Global Center. Through on-site power generation and a switch to electricity derived from renewable energy, 100% of the electricity used at the Center was converted to renewable energy. GHG emissions decreased from the previous fiscal year, and progress has been steady.

Accident frequency rate* 0.10 0.03pt down

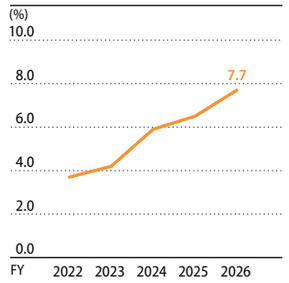
$$\text{Accident frequency rate} = \frac{\text{Number of the victims of occupational injury (at least one workday lost)}}{\text{Total actual number of hours worked by registered workers}} \times 1{,}000{,}000$$



We promote health and safety activities from the perspective of the 5Ms (Man, Machine, Method, Material, and Measurement), and continuously strive to prevent workplace accidents through priority measures that address specific issues. In FY2025, the accident frequency rate was 0.10. Although this was slightly above the target of less than 0.08 set under the Medium-Term Management Plan 2025, we maintained a high level of safety, with the rate remaining significantly below the average for Japan's manufacturing industry.

Female manager ratio* 7.7% 1.2pt up

* As of April 1, 2026



To develop a pipeline of female candidates for managerial positions, we are systematically developing human resources through strengthened recruitment and career development support. As part of this effort, we participate in cross-industry co-creation projects, providing next-generation leaders with opportunities to encounter diverse perspectives and broaden their horizons. The female manager ratio reached 7.7%, showing steady progress toward the FY2030 target of 10% or higher.

At a Glance
Editorial Policy
Contents

Value Creation Story
06 CEO Message
10 Management Philosophy
11 The Aims of the TAIYO YUDEN Group
12 Approaches to Sustainable Well-Being
13 History of Value Creation
14 Value Creation Process
15 TAIYO YUDEN's Value Provision
16 TAIYO YUDEN's Support for a Connected Society
17 Materiality
18 Medium-Term Management Plan 2030
21 Message from the Officer in Charge of Finance
25 TAIYO YUDEN's Management Capital
26 Financial and Non-Financial Highlights

Initiatives for Enhancing Corporate Value Economic Value

Initiatives for Enhancing Corporate Value Social Value

Achievements, Evaluations, and Corporate Data

Initiatives for Enhancing Corporate Value

Economic Value

AI is being incorporated into a wide range of electronic devices, while society is becoming increasingly connected through high-speed networks.

Our multilayer ceramic capacitors (MLCCs), inductors, and other electronic components are essential to a wide range of electrical products.

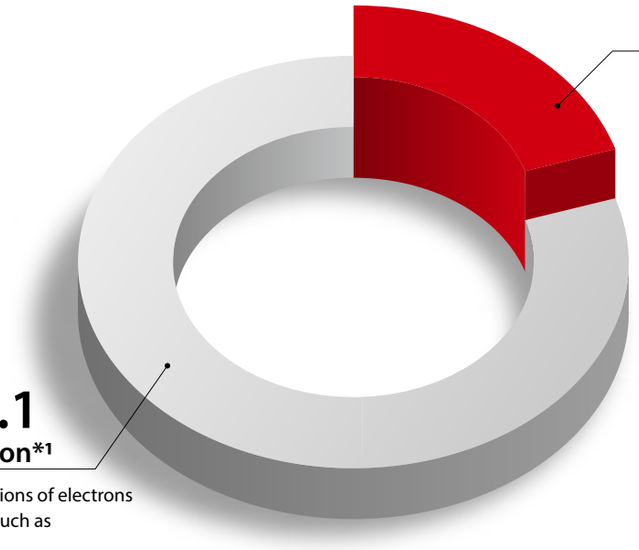
At TAIYO YUDEN, we have continuously advanced our material and multilayer technologies, which form the foundation of product development, and have developed products that meet customer needs.

Going forward, we will continue to strengthen our competitive advantage and create value through our business activities.

Buisiness Environment Surrounding TAIYO YUDEN

Market Conditions for Electronic Components and Devices (2025 Forecast)

¥ about 171.5 trillion*1



Electronic devices

¥ about 137.1 trillion*1

Devices that apply functions of electrons to perform active tasks such as amplification

- Semiconductor devices
- Integrated circuits
- Electron tubes

General electronic components

¥ about 34.4 trillion*1

Components that work with and supplement electronic devices

Passive components

These devices store, control, separate, and perform other tasks on the flow of electrons supplied

- Capacitors
- Inductors
- Resistors
- Transformers
- Others

Connecting components

These devices connect, switch, and perform other tasks on electronic circuits and systems

- Switches
- Connectors
- Others

Transducers

These devices create sounds, torques, magnetic flux, and others

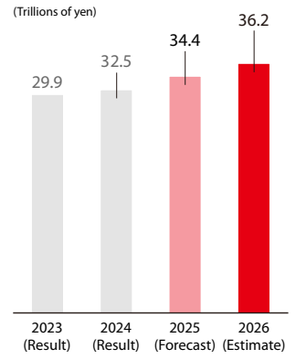
- Electro-acoustic transducers
- Sensors
- Actuators

Other electronic components

- Power supplies
- High-frequency components

○ TAIYO YUDEN's business domains

General Electronic Component Global Production Value*1



*1. Exchange rate calculations are as follows. 2023: US$1 = ¥140.2; 2024: US$1 = ¥151.2; 2025: US$1 = ¥148.8; 2026: US$1 = ¥148.8.

Note: Figures from 2025 Production Forecasts for the Global Electronics and Information Technology Industries, Japan Electronics and Information Technology Industries Association (JEITA); the electronic components and devices category is as defined in JEITA's statistical classification of global electronic component shipments

At a Glance
Editorial Policy
Contents
Value Creation Story

Initiatives for Enhancing Corporate Value
Economic Value
28 Business Environment Surrounding TAIYO YUDEN
29 Business Overview
30 Capacitors
31 Inductors
32 Others
33 Special Feature AI Server Demand Opportunities
36 R&D Intellectual Property Activities
37 R&D
39 Activities on Intellectual Property Rights

Initiatives for Enhancing Corporate Value
Social Value

Achievements, Evaluations, and Corporate Data

Business Overview

Message from the Officer in Charge of the Sales Headquarters



Toshiyuki Watanabe
Director and Executive Operating Officer
in Charge of Sales Headquarters

Boosting Profitability Through High-End and Long-Tail Strategies

TAIYO YUDEN commenced the Medium-Term Management Plan 2030 in FY2026, the fiscal year ending March 31, 2027. In anticipation of future growth in demand, under the Medium-Term Management Plan 2025 we had been continuously promoting capital investments, including the launch of new plants, while establishing a stable supply system globally. Amid an ongoing increase in our supply capacity in the coming years, as the Sales Headquarters we will employ a high-end strategy that leverages our technological advantages in cutting-edge fields and a long-tail strategy that delivers products to a wide range of customers worldwide, thereby contributing to enhanced profitability.

Responding to Market Trends and Technological Innovation

Technical requirements for electronic components are expected to become increasingly sophisticated as semiconductors evolve. The role of the Sales Headquarters is to identify and anticipate trends two to five years ahead and, while fulfilling its leadership role with the Research and Development Laboratory and business divisions, to deliver the necessary products to customers at the right time. To improve the accuracy of demand forecasting, TAIYO YUDEN is building and analyzing a database that integrates historical trends, customer data, and trends in orders received. We are also building a system that utilizes AI to estimate customer inventory levels and thereby minimizing lost sales and curbing excess inventory.

AI server performance is advancing rapidly. As AI servers become more powerful and highly integrated, the electronic components installed in them will be required to be smaller while supporting higher capacities. In addition, as power consumption increases in the years ahead, the importance of embedded designs—in which components are embedded directly in circuit boards to reduce power loss in wiring—is expected to grow further. The Company possesses advanced technological capabilities and a strong sales track record in electronic components compatible with substrate embedding. Including TAIYO YUDEN, only a handful of companies worldwide are supplying such high-end products. We will aim to capture a significant market share in high value-added areas.

Evolution of Sales and Marketing Strategies

The Sales Headquarters is promoting a long-tail strategy that covers an extensive customer base and tens of thousands of companies. Until now, our sales efforts have focused primarily on direct sales to major customers that purchase high volumes, meaning we have not adequately catered to those with small lot demand. However, in addition to our existing worldwide distributor network, under the Medium-Term Management Plan 2025 we concluded agreements with major global distributors. We thereby put in place a system capable of ensuring a stable supply to meet long-tail and small-lot demand for high-end products.

By utilizing AI to analyze the customer contact reports that are accumulated on a daily basis, we are also strengthening our systems for identifying potential demand and issues at an early stage and rapidly feeding that information back to development departments. We also conduct regular customer satisfaction surveys covering quality, cost, delivery, technology, services, and sustainability activities. Customer feedback and requests are shared across the Company and used to drive improvements in each department.

Contributions to Sustainable Society and Pursuit of Corporate Value

Although our electronic components that support device functionality from within are largely unseen, they contribute to the enhanced performance and greater energy efficiency of equipment by means of ongoing miniaturization and greater capacity. Product miniaturization leads directly to reduced waste and lower power consumption during manufacturing, thereby making a tangible contribution to reducing environmental impact, such as the lowering of CO_2 emissions. By delivering the value inherent in high-end products, we aim for sustainable growth and value creation as a company that helps enable a connected society.

At a Glance
Editorial Policy
Contents
Value Creation Story

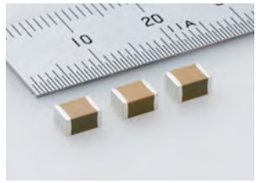
Initiatives for Enhancing Corporate Value
Economic Value
28 Business Environment Surrounding TAIYO YUDEN
29 Business Overview
30 Capacitors
31 Inductors
32 Others
33 Special Feature AI Server Demand Opportunities
36 R&D Intellectual Property Activities
37 R&D
39 Activities on Intellectual Property Rights

Initiatives for Enhancing Corporate Value
Social Value

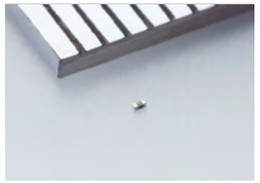
Achievements, Evaluations, and Corporate Data

Capacitors

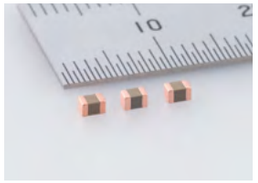
In addition to compact, thin, and high-capacitance products, we are focusing efforts on the development of highly reliable multilayer ceramic capacitors (MLCCs), including high-voltage-resistant products for which applications are expanding. By advancing our dielectric materials technologies, thin-layer and high-capacitance technologies, and production technologies for ultra-small products, we continuously engage in the development of cutting-edge MLCCs.



High-capacitance multilayer ceramic capacitors



Ultra-small multilayer ceramic capacitors

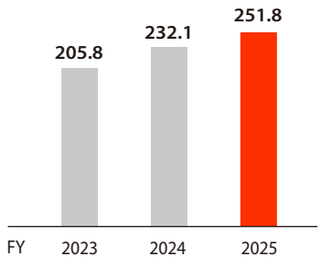


Embeddable multilayer ceramic capacitors

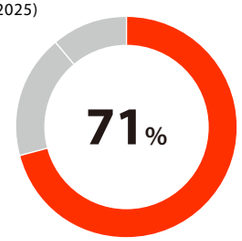
FY2025 Financial Results

Net sales reached a new record high of ¥251.8 billion. Sales increased for IT infrastructure/industrial equipment, including AI servers, switches, routers, and other network devices, as well as for automobiles. The growth in sales was also driven by strong demand for AI servers in the second half of the fiscal year. This year was marked by a steady shift to high-value-added areas, centered on large-size, high-capacity MLCCs, for which we have strengthened our supply capabilities.

Net Sales
(Billions of yen)



Net Sales Breakdown by Product Classifications
(FY2025)



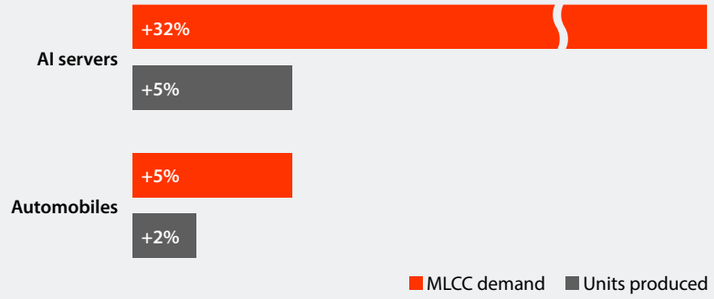
Strengths

- **High performance (compact, high-capacity)**
  We possess proprietary, in-house developed small, uniform particle dielectric materials technologies. Using an advanced multilayer technology to layer more than 1,000 dielectric sheets of 1 µm or less with zero misalignment, we achieve outstanding miniaturization and high capacitance.
- **Diversified production system**
  We have established a production network comprising four countries: Japan, South Korea, China, and Malaysia. Having a system prepared for geopolitical risks ensures a stable supply of products.

Market Opportunities

- **AI servers**
  As the use of AI expands, the performance of semiconductors used in AI servers is improving. The number of MLCCs mounted per vehicle/server is increasing faster than growth in the number of servers, accelerating the need for high-end products.
- **Automobiles**
  The number of in-vehicle MLCCs is increasing due to the shift to xEVs, advances in ADAS, and progress in SDVs. The market for high-temperature-resistant, highly reliable products capable of withstanding harsh environments is expanding.

FY2030 Demand Forecast (TAIYO YUDEN Estimates)



* Each figure represents CAGR starting in FY2025.

Growth Strategies

- **Focus on high-value-added zones**
  We aim to improve profitability by concentrating management resources in cutting-edge, compact, high-capacity areas and highly reliable product markets, including AI servers and automobiles, where competitors cannot easily catch up.
- **Continue expanding production capacity**
  To meet strong demand, we plan to increase production capacity by slightly more than 10% in FY2026, then by 10–15% in FY2027. A new plant is scheduled for construction in FY2028.

At a Glance
Editorial Policy
Contents
Value Creation Story

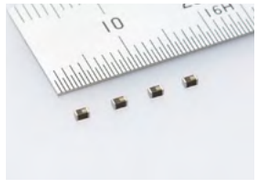
Initiatives for Enhancing Corporate Value
Economic Value
28 Business Environment Surrounding TAIYO YUDEN
29 Business Overview
30 Capacitors
31 Inductors
32 Others
33 Special Feature AI Server Demand Opportunities
36 R&D Intellectual Property Activities
37 R&D
39 Activities on Intellectual Property Rights

Initiatives for Enhancing Corporate Value
Social Value

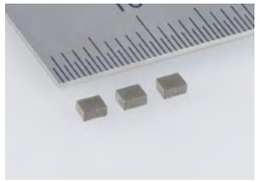
Achievements, Evaluations, and Corporate Data

Inductors

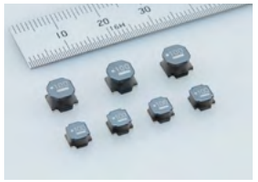
In addition to small, thin, high-current-capable products, we are working to develop large-size, high-reliability products, mainly for automotive and IT infrastructure/industrial equipment applications. Through the development of materials, including metallic magnetic materials, and advances in our winding and multilayer process technologies, we are developing competitive products.



Multilayer metal power inductors MCOIL™



Wire-wound metal power inductors MCOIL™

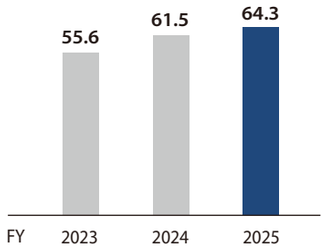


Ferrite power inductors

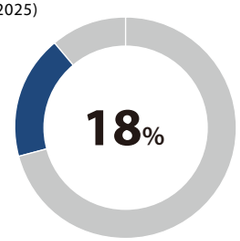
FY2025 Financial Results

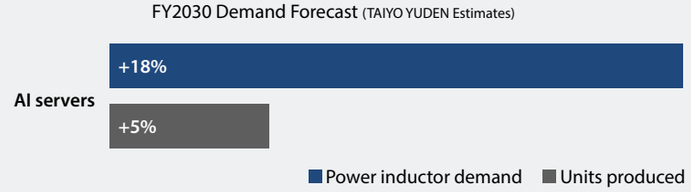
Net sales reached ¥64.3 billion, a new record high. Sales of memory modules and other products for information equipment remained strong. Sales also increased for consumer products, including game consoles, as well as for IT infrastructure/industrial equipment. The increased proportion of metal-based power inductors using our proprietary metal-based magnetic material technologies improved our product mix and increased profitability. The expansion of applications beyond smartphones is contributing to earnings growth.

Net Sales
(Billions of yen)



Net Sales Breakdown by Product Classifications
(FY2025)



Strengths	● **Proprietary metallic magnetic material technologies** Our proprietary metallic magnetic material combines nanoscale interface control with high-density filling technology, achieving both high-current capability and low loss. ● **Capabilities in both winding and multilayer processes** With advanced winding and multilayer process technologies, we can propose products optimized for size and performance and meet next-generation design requirements, including integrated substrates.
Market Opportunities	● **AI servers** Reducing power loss in data centers has become an urgent priority, leading to changes in power delivery methods. Demand is expected to grow for high-current-capable, low-loss power inductors that support improvements in AI processing capabilities. ● **Automobiles** With the shift to xEVs, advances in ADAS, and progress in SDVs, demand is growing for inductors capable of withstanding high temperatures and handling large currents.  * Each figure represents CAGR starting in FY2025.
Growth Strategies	● **Focus on high-value-added zones** We will expand our lineup of high-value-added products capable of handling high currents in response to changes in power delivery methods for AI servers, thereby accelerating improvements in our product mix. ● **Expand our portfolio by application** We are leveraging the strengths of our materials technologies cultivated for smartphones in automotive and IT infrastructure/industrial equipment applications. We aim to achieve stable growth that is not dependent on any specific market.

At a Glance
Editorial Policy
Contents
Value Creation Story

Initiatives for Enhancing Corporate Value
Economic Value
28 Business Environment Surrounding TAIYO YUDEN
29 Business Overview
30 Capacitors
31 Inductors
32 Others
33 Special Feature AI Server Demand Opportunities
36 R&D Intellectual Property Activities
37 R&D
39 Activities on Intellectual Property Rights

Initiatives for Enhancing Corporate Value
Social Value

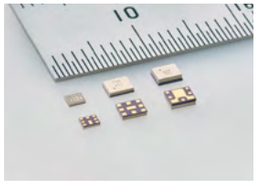
Achievements, Evaluations, and Corporate Data

Others

We are expanding our business in hybrid aluminum electrolytic capacitors (hybrid capacitors), for which demand is growing in line with the shift toward xEVs, and communication devices that enable high-speed communications, while also pursuing new business opportunities such as smell sensors. We aim to achieve sustainable improvements in profitability by creating high-value-added products that apply elemental technologies.



Conductive polymer hybrid aluminum electrolytic capacitors



Communication devices

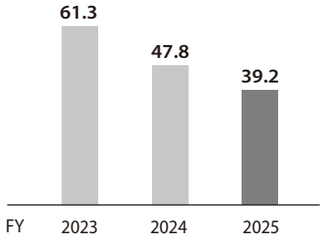


Regenerative electric assist system

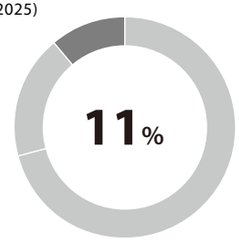
FY2025 Financial Results

Sales in the Others category, comprising Integrated Modules & Devices and other products, amounted to ¥39.2 billion. Sales declined in both circuit modules, for which the transfer or withdrawal of the relevant products has been completed, and communication devices, for which demand from Chinese smartphone manufacturers remains sluggish. At the same time, sales of hybrid capacitors for automobiles remained strong. In the communication devices business, we are implementing structural reforms, including fixed-cost reductions and the scaling back of unprofitable items, to optimize the scale of our operations and improve profitability through product-mix improvements.

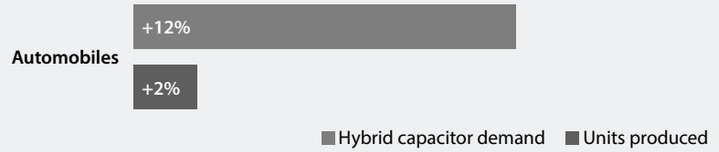
Net Sales
(Billions of yen)



Net Sales Breakdown by Product Classifications
(FY2025)



Note: Includes former Integrated Modules & Devices and Others categories.

Strengths	● **Highly reliable technologies in the automotive market** Hybrid capacitors, for which demand is increasing as the shift toward xEVs progresses, achieve both high performance and high reliability by using a conductive polymer and an electrolyte. Their quality enables stable operation even under harsh conditions. ● **New business: versatile applications of elemental technologies** We are applying our accumulated expertise in materials and multilayer technologies to all-solid-state batteries and SOFCs. By combining various elemental technologies, we are creating new businesses that directly contribute to solving next-generation social issues.
Market Opportunities	● **Higher power-supply efficiency driven by the shift toward xEVs** Demand for high-performance hybrid capacitors is increasing due to the shift to 48V in-vehicle power systems and the electrification of powertrains. ● **Rise of next-generation energy, power generation, and storage needs** New business opportunities for the Company are increasing in response to a wide range of power generation and storage needs, including those associated with all-solid-state batteries and SOFCs. These opportunities will contribute to the development of sustainable social infrastructure. FY2030 Demand Forecast (TAIYO YUDEN Estimates)  * Each figure represents CAGR starting in FY2025.
Growth Strategies	● **Expand hybrid capacitors for automobiles** To meet the growing demand for automotive hybrid capacitors driven by the shift to xEVs, we will increase the proportion of high-margin products to improve profitability. ● **Expand sales of communication devices in high-value-added zones** Through structural reforms implemented from FY2024 through FY2025, we scaled back unprofitable items. We aim to expand sales into high-value-added zones including automobiles and communication base stations.

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value
28 Business Environment Surrounding TAIYO YUDEN
29 Business Overview
30 Capacitors
31 Inductors
32 Others
33 Special Feature AI Server Demand Opportunities
36 R&D Intellectual Property Activities
37 R&D
39 Activities on Intellectual Property Rights
Initiatives for Enhancing Corporate Value
Social Value
Achievements, Evaluations, and Corporate Data

Special Feature

AI Server Demand Opportunities

— Our Accumulated Technologies and Know-How Supporting the Infrastructure of the Next-Generation Society

Accelerating Use of AI

At present, our society is at a major turning point. The volume of data for processing is increasing at an exponential rate due to the rapid spread of generative AI and other digital technologies.

These changes are dramatically transforming the design of AI servers at the core of data centers.

The high-performance semiconductors (CPUs/GPUs) installed in AI servers possess computational capabilities far surpassing those of conventional servers.

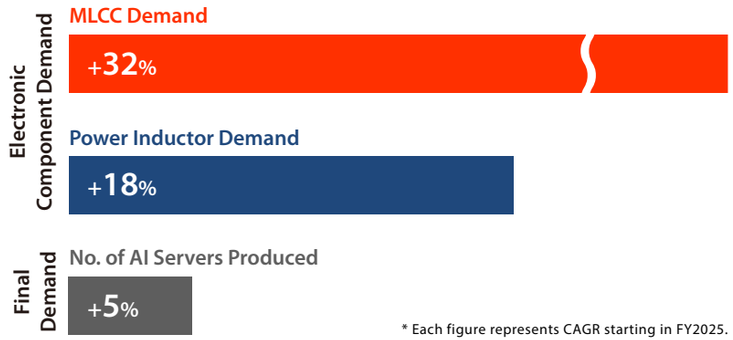
However, this comes at the cost of sharp increases in power consumption, making it essential to maintain a stable power supply and eliminate unnecessary noise during drastic power fluctuations.

Demand Forecast Electronic Component Growth Will Exceed Growth in Production Volume

The AI server market is experiencing changes and growth that go beyond simply increasing production volume. Under the Medium-Term Management Plan 2030, we forecast that AI server production volume will grow at a compound annual growth rate (CAGR) of +5% from FY2025 to FY2030. Meanwhile, demand for MLCCs installed in AI servers is forecast to grow at a CAGR of +32%, while demand for power inductors is forecast to grow at a CAGR of +18%. We expect growth in electronic components to significantly outpace growth in end products.

We estimate that the number of MLCCs installed per AI server will more than double from FY2025 to FY2030 as performance improves, with the number of inductors also increasing significantly due to changes in power supply methods. Furthermore, in addition to the number of components installed, we must meet increasingly sophisticated technical requirements, including smaller sizes and higher capacities in line with growing design complexity. Amid the ongoing shift toward high-value-added products, the rise in component value per server is driving demand. Demand for AI servers is currently stronger than anticipated, and we expect very strong growth going forward.

Market Forecast for FY2030 (TAIYO YUDEN Estimate)



* Each figure represents CAGR starting in FY2025.

Forecast Changes to Number of Electronic Components Per Unit (TAIYO YUDEN estimates)

	Market Trends	No. of Electronic Components per Unit (2025–2030)
MLCC	We are working to develop smaller, higher-capacity models and integrate these products into motherboards for improved performance and reduced power loss	10,000 to 20,000 ↓ More than double
Inductor	Demand for AI servers has increased significantly due to changes in power supply methods	Significant changes in power supply methods and increased demand

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value
28 Business Environment Surrounding TAIYO YUDEN
29 Business Overview
30 Capacitors
31 Inductors
32 Others
33 Special Feature AI Server Demand Opportunities
36 R&D Intellectual Property Activities
37 R&D
39 Activities on Intellectual Property Rights
Initiatives for Enhancing Corporate Value
Social Value
Achievements, Evaluations, and Corporate Data

Special Feature

AI Server Demand Opportunities

— Our Accumulated Technologies and Know-How Supporting the Infrastructure of the Next-Generation Society

Technological Advantages TAIYO YUDEN's Prominent Presence in the High-End Sector

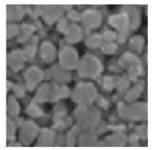
The reason we are able to meet the technological requirements of the AI server market and are chosen by customers is our vertical integration of advanced core technologies, including materials, multilayer, and design technologies that we have continuously refined in the high-end sector.

For example, AI servers are equipped with high-performance CPUs and GPUs that draw high currents, thus peripheral electronic components must be both higher capacity and smaller to save space and reduce power loss. With an eye toward future improvements in semiconductor performance, we focused from an early stage on the development of high-capacity MLCCs exceeding 100 µF, and in 2011, we commercialized the world's first 220 µF MLCC and have since expanded our product lineup to 470 µF, thereby establishing high-capacity technologies. These accumulated technological advances have enabled us to respond to the current demand for AI servers.

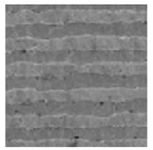
These advanced technological capabilities give us a strong competitive advantage in cutting-edge, highly complex fields that other companies cannot easily match. Furthermore, even in fields other than AI servers, we expect business opportunities to increase as the technical barriers for electronic components continue to rise.

Under the Medium-Term Management Plan 2025, we have focused on increasing production capacity through the completion of large-scale capital investments such as the building of new factories in China and Malaysia, as we have prepared to respond to the rapidly increasing demand for AI servers. Under the Medium-Term Management Plan 2030, we will leverage our production capacity and advanced technological capabilities to develop high-value-added products and accelerate improvements in profitability.

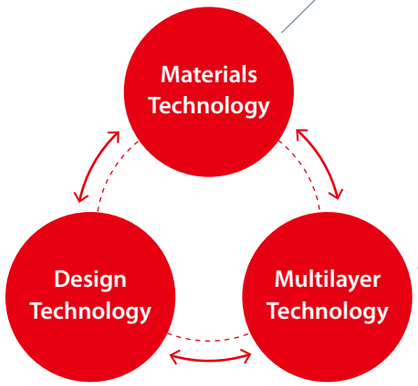
Typical Elemental Technologies



MLCC dielectric materials



MLCC multilayer structure



Materials Technology

- We must synthesize dielectric materials with fine, uniform particle sizes to make MLCCs compact, large-capacity, and highly reliable
- We own many materials technologies (including metallic magnetic materials built around ceramic materials) amenable to applications in various components and fields, including power inductors, all-solid-state batteries, SOFC/SOEC, etc.

Design Technology

- We contribute by offering a combination of material composition and process conditions to quickly propose solutions to technological changes in the market through a balance of properties, size, and reliability required by customers
- We offer the most waste-free product design based on our own materials and processes

Multilayer Technology

- MLCCs require the layering of between several hundred to more than 1,000 layers of dielectric sheets (green sheets) of 1 micron* or less with zero misalignment
- At the same time, how quickly layering can be performed is important for productivity
- Only a few companies in the world, including TAIYO YUDEN, can manufacture with both precision and productivity

* A µm is 1/1,000 of 1mm.

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value
28 Business Environment Surrounding TAIYO YUDEN
29 Business Overview
30 Capacitors
31 Inductors
32 Others
33 Special Feature AI Server Demand Opportunities
36 R&D Intellectual Property Activities
37 R&D
39 Activities on Intellectual Property Rights
Initiatives for Enhancing Corporate Value
Social Value
Achievements, Evaluations, and Corporate Data

Special Feature **AI Server Demand Opportunities**
— Our Accumulated Technologies and Know-How Supporting the Infrastructure of the Next-Generation Society

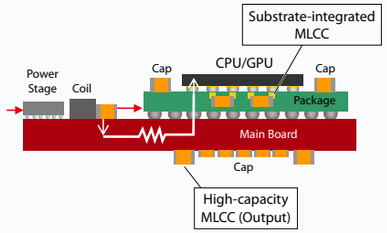
Column Inductor Outlook: Power Supply Design Advances and Patent Advantages

As AI server performance improves, the power supplied to CPUs and GPUs increases year by year, and power supply designs are required to be more efficient, with lower loss, and higher density implementation than ever before. To meet these demands, there is a growing trend toward moving power supply components from their traditional placement on the motherboard, to locations nearer to where loads are concentrated (CPU/GPU), and even embedding and integrating them within the package itself.

1. Current mainstream designs
Mother Board VR

This method places a voltage regulator (VR) on the motherboard and uses capacitors and inductors to control voltage. Despite offering excellent mountability and design flexibility, AI servers are becoming increasingly high-current and high-density as they deliver power to semiconductors mounted far from the power supply, leading to the rise of issues such as power loss in wiring and responsiveness to voltage fluctuations.

Mother Board VR

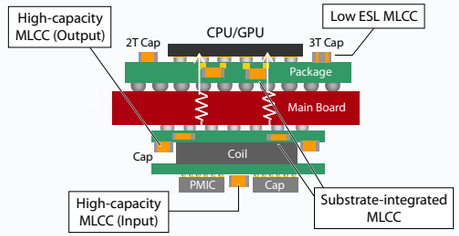


2. Designs expected to see wider adoption (1)
VPD (Vertical Power Delivery)

This method involves placing power supply components directly beneath or behind CPUs and GPUs to shorten the power supply path.

Although this is effective for reducing power loss and improving responsiveness while realizing more efficient power delivery, it also requires high-performance components to be mounted at high density within a limited space. Consequently, these components must be further miniaturized, have lower profiles, and be capable of handling high currents.

VPD (Vertical Power Delivery)

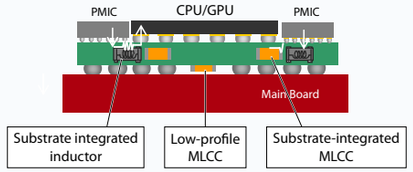


3. Designs expected to see wider adoption (2)
Integrated Type: Integrated VR (IVR)

This next-generation design incorporates power supply circuits into the package, further shortening the power supply path and saving space.

Components must be small, while also meeting more advanced performance requirements, such as reliability suitable for in-package assembly, low power loss, high-current capability, and thermal characteristics.

IVR (Integrated VR)



As power supply design evolves, the characteristics required of passive components are becoming increasingly sophisticated. Capacitors are required to be compact in size with large capacities and low ESL*1, while inductors are required to be compact with high currents and low DCR*2.

As inductors in particular are components that determine the efficiency and responsiveness of power supply circuits, they are expected to become increasingly important going forward. While ferrite materials are commonly used in standard inductors, our proprietary metal-based magnetic material technologies enable us to support high currents and contribute to greater power supply efficiency. In addition to wire-wound inductors, we are capable of manufacturing multilayer inductors, which are smaller and thinner than wire-wound types. By combining this capability with our proprietary materials technologies, we can offer products optimally tailored to a variety of needs, including those requiring integration into motherboards. As the technologies related to inductor structures, materials, and manufacturing processes are protected by patents, we have established a competitive advantage that other companies cannot easily replicate. Through many years of research and development and an extensive portfolio of patents, our inductors achieve a high level of miniaturization, high-current capability, and low power loss simultaneously.

New power supply designs such as VPD and IVR have increasingly stringent requirements for characteristics that include motherboard integration, miniaturization, and high-current capability. In this environment, our products represent a strong option capable of meeting customer design requirements, and we expect further growth in our AI server business from FY2027 onward, as changes in power supply design gain momentum.

*1 A small inductance component present in capacitors. The lower this value, the better the high-frequency characteristics.
*2 Resistance value when direct current is applied. For inductors, the smaller this value, the less power lost and heat generated.

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value
28 Business Environment Surrounding TAIYO YUDEN
29 Business Overview
30 Capacitors
31 Inductors
32 Others
33 Special Feature AI Server Demand Opportunities
36 R&D Intellectual Property Activities
37 R&D
39 Activities on Intellectual Property Rights
Initiatives for Enhancing Corporate Value
Social Value
Achievements, Evaluations, and Corporate Data

R&D Intellectual Property Activities



Yukihiro Konishi
Operating Officer in Charge of Research and Development Laboratory

Forging the Future of Business from the Research and Development Laboratory

Up to now, the Research and Development Laboratory has supported TAIYO YUDEN's competitive capabilities through the development of high-performance materials and elemental technologies. We view FY2026 as the year in which we take this role a step further, evolving from research aimed at creating high-quality products to research that reliably leads to business opportunities. The Research and Development Laboratory's mission is to anticipate future market changes while supporting advances in existing business and the creation of new businesses. Specifically, in our core electronic components business, which includes capacitors and inductors, we will strengthen our ability to deliver value to growing markets by achieving stable performance even during mass production through the refinement of materials and process technology advances. For new businesses, we will clarify the process leading up to commercialization and strengthen collaborations with existing businesses.

Proactive Development That Anticipates Demand

The key to research and development is getting started before demand takes off rather than waiting until after. Market and technological changes are occurring faster than anticipated. For example, in the AI server and in-vehicle fields, high standards are required across the board, from performance to reliability and power efficiency. TAIYO YUDEN pursues development that goes beyond mere extensions of its existing products, advancing development from both the materials and process perspectives while anticipating changes in markets and technologies. The Research and Development Laboratory leads the way, with business divisions quickly commercializing our achievements. By strengthening this collaboration, we will build a competitive advantage unique to TAIYO YUDEN.

In line with FY2026 organizational restructuring, the Intellectual Property Department is now under the aegis of the Research and Development Laboratory. Relevant departments are now working together to promote intellectual property creation activities in closer collaboration with the development and engineering departments from the early stages of research and development. In submitting patent applications, we aim to increase the proportion of high-value patents and promote the creation of strong intellectual property that directly contributes to our business competitiveness. Although it is difficult to quantify research and developments contribution to business performance, we are committed to taking proactive measures that both protect research results and drive future business growth.

Cultivating the Next Areas of Growth Based on the Strengths of Existing Businesses

When approaching new business ventures, we prioritize areas that extend naturally from existing businesses rather than isolated, unrelated ventures. We will identify themes with potential for future growth, including all-solid-state batteries, healthcare-related technologies, and odor sensors, and first aim to develop several of these areas to the commercialization stage. To this end, we are working even more closely with the Sales Headquarters, Field Application Engineers (engineering sales), and business divisions to quickly identify changes in demand and have a system in place to reflect them in research themes. Rather than operating in isolation, it is important for the Research and Development Laboratory to bridge markets and research by connecting insights from within and outside the Company.

Toward Sustainable Value Creation

In research and development, not only quantity but also quality and efficiency are becoming increasingly important. To achieve greater results even with a small team, we will advance the automation of experiments, data collection, and the use of AI to enhance the reproducibility and speed of our research. We will also continue to validate new processes that go beyond simply extending existing processes.

As we move forward with research and development, a key priority is to formalize knowledge accumulated through research activities and ensure it is steadily passed on to the next generation. While promoting the transfer of technologies from veteran staff to younger employees, we will also leverage data to build a development framework that is not overly reliant on experience, with the goal of establishing a sustainable and resilient organization. We will continue taking on the challenge of developments that shape the future of TAIYO YUDEN, while maintaining a strong awareness of business contributions through the ongoing proposal of forward-looking themes, the creation of roadmaps in collaboration with business divisions, and the allocation of resources to researchers.

At a Glance
Editorial Policy
Contents
Value Creation Story

Initiatives for Enhancing Corporate Value
Economic Value
28 Business Environment Surrounding TAIYO YUDEN
29 Business Overview
30 Capacitors
31 Inductors
32 Others
33 Special Feature AI Server Demand Opportunities
36 R&D Intellectual Property Activities
37 R&D
39 Activities on Intellectual Property Rights

Initiatives for Enhancing Corporate Value
Social Value

Achievements, Evaluations, and Corporate Data

R&D

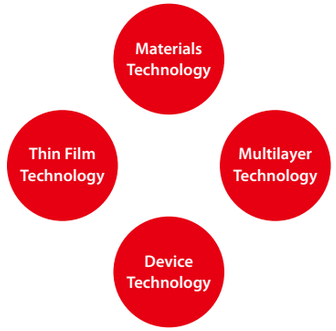
Fundamental Stance

The Foundation of Our Research and Development Activities

Hikohachi Sato, the founder of TAIYO YUDEN, was a researcher in ceramic materials, and since its establishment, has believed that product commercialization should start from the development of materials. This has been one of the strengths of TAIYO YUDEN, and has resulted in us creating many products that have been "world firsts." TAIYO YUDEN's research and development activities are aimed at further honing the many elemental technologies it has so far developed to create products that contribute to the ongoing development of electronic devices.

Elemental Technologies and Basic Research

The TAIYO YUDEN Strengths and Core Technologies



Research and Development Principles

We promote research and development based on the three pillars of support for existing businesses of the future, creation of new business pillars, and strengthening of shared foundations.



Driving research from a business perspective

Supporting the future of existing businesses
Support the creation of high-value-added products with materials research

Creating new business pillars
Creating new solutions to social challenges through core technologies

Strengthening shared foundations
Maximizing functional value across organizational boundaries

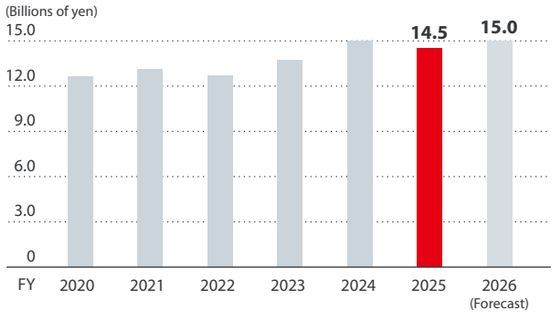
Approach to Research and Development

Research and Development Supporting the Realization of Sustainable Well-Being

Rooted in the idea of "the wonders of science," our research and development is characterized by a vertically integrated approach combining core technologies including material, multilayer, and design technologies, and handles everything from materials development to mass production. By leveraging this strength and optimizing everything from materials to design and production processes, we are creating differentiated products that are both high performance and highly reliable. Furthermore, we are using AI and digital technologies to enhance the sophistication of development processes, while also promoting the creation of new value in growth fields such as energy, mobility, telecommunications, and healthcare. Through these initiatives, we will contribute to the resolution of social issues and advance research and development that supports the realization of Sustainable Well-being.

R&D Expenses

We recognize that continuing innovations and advancement in our technologies through R&D is the foundation for TAIYO YUDEN to create the future. As such, in recent years we have continuously invested a fixed amount into R&D activities, rather than making major adjustments based on the financial results.



At a Glance
Editorial Policy
Contents
Value Creation Story

Initiatives for Enhancing Corporate Value
Economic Value
28 Business Environment Surrounding TAIYO YUDEN
29 Business Overview
30 Capacitors
31 Inductors
32 Others
33 Special Feature AI Server Demand Opportunities
36 R&D Intellectual Property Activities
37 R&D
39 Activities on Intellectual Property Rights

Initiatives for Enhancing Corporate Value
Social Value

Achievements, Evaluations, and Corporate Data

Developing Research Talent

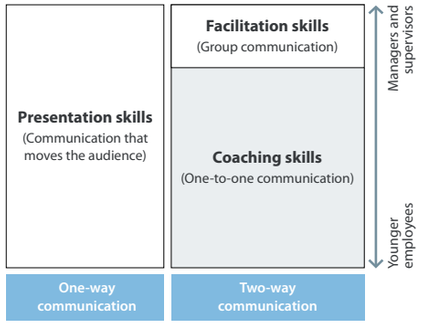
At the Research and Development Laboratory, we are strengthening our human capital in order to create an innovative organization and workforce.

Efforts to enhance communication skills promoted since FY2021 aim to realize the collective genius* essential for innovation. We began by strengthening presentation skills to improve individual communication skills, then worked to strengthen coaching and facilitation skills to further improve group output (Fig.1). Regarding presentation skills, we conduct an annual, objective quantitative assessment for members who regularly make presentations. In FY2025, the average score rose 20% compared to FY2021. In particular, the number of employees with high scores increased, leading to an overall improvement in skill levels (Fig. 2).

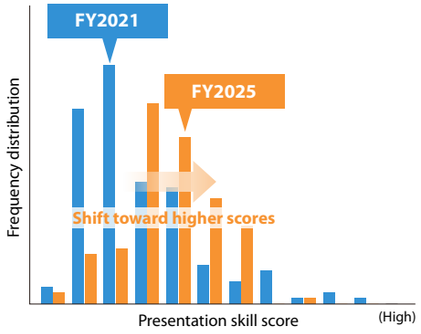
We also quantify progress on road-mapping skills, a program ongoing since FY2022. In FY2025, the average score by theme improved significantly from FY2022, achieving the target. We will continue to strategically develop mid- to long-term roadmaps through backcasting.

* The idea that combining individual talents enables genius-level outcomes as an organization.

(Fig. 1) Initiatives to strengthen communication skills



(Fig. 2) Changes in presentation skill scores



TAIYO YUDEN's Research Facility

We profess to be "the TAIYO YUDEN of technology and the TAIYO YUDEN of development," and aim to continuously create the world's best products. Based on this idea, in 1998 we opened the R&D Center (Takasaki City, Gunma Prefecture, Japan). Since then, research and development has accelerated, and the Center continues to serve as a source of technological and development capabilities, as well as a foundation for future creation.

In 2020, we opened the Shin-Kawasaki Center SOLairoLab as a hub for co-creation with external partners. Leveraging collaborations with research institutions and startups concentrated in the Shin-Kawasaki Sozo no Mori ("Forest of Creation") area, we are working to strengthen our marketing and solution development through external exchanges.

In FY2025, we engaged with more than 510 individuals and promoted initiatives with external partners aimed at creating new markets and resolving social issues. Additionally, lectures by experts are held eight times a year. As part of our student support initiatives, we also conducted the second year of our seminar program and provided a three-month program to the nine students selected to participate. We will continue striving to achieve both economic and social value through open innovation.



AIRBIC, the building in which the Shin-Kawasaki Center SOLairoLab is located



Lecture in progress

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value
28 Business Environment Surrounding TAIYO YUDEN
29 Business Overview
30 Capacitors
31 Inductors
32 Others
33 Special Feature AI Server Demand Opportunities
36 R&D Intellectual Property Activities
37 R&D
39 Activities on Intellectual Property Rights
Initiatives for Enhancing Corporate Value
Social Value
Achievements, Evaluations, and Corporate Data

Activities on Intellectual Property Rights

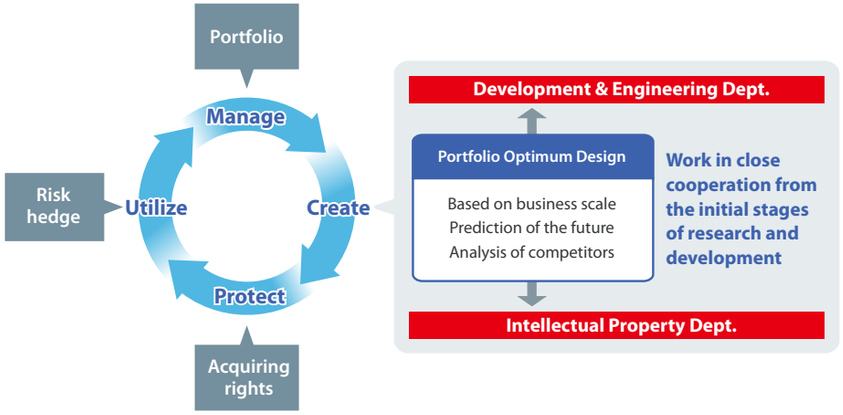
Basic Policy

We, TAIYO YUDEN, endeavor to obtain, maintain and protect intellectual property rights for proper use, and also to respect the intellectual property rights of third parties, in accordance with our CSR Code of Conduct.

Under the Medium-Term Management Plan 2030, we will strengthen collaborations with the Development and Engineering Department through integrated operations with our Research and Development Laboratory, thereby supporting TAIYO YUDEN's technological advancements and competitive advantages through influential intellectual property. We will evaluate these activities based on Intellectual Property Department KGIs and KPIs and strategically allocate IP resources to priority areas, thereby contributing to the enhancement of corporate value.

Protection of Intellectual Property Rights

To stay ahead in research and development and secure solid intellectual property rights from our results, the Intellectual Property Department works closely with the Development and Engineering Department from the earliest stages. We also leverage our intellectual properties through a unique management approach that is optimized for each business unit.



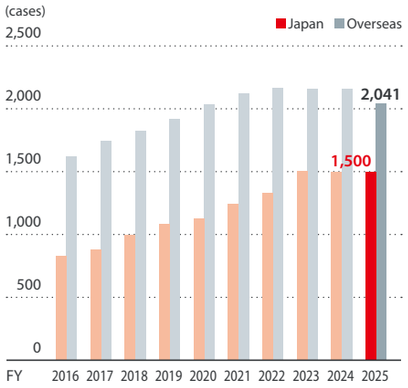
Number of Patents Held

TAIYO YUDEN acquires patents necessary for business activities in Japan and overseas. We file patent applications based on forecasting-driven thinking, starting from immediate issues, and backcasting-driven thinking, focused on future issues, with equal emphasis on both. (Fig. 1)

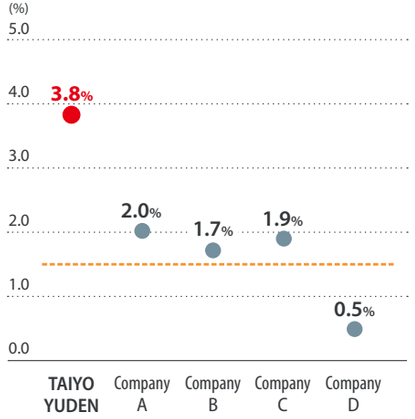
Competitor Patent Application Prevention Rate

TAIYO YUDEN goes beyond simply protecting intellectual property, and utilizes it to secure our competitive advantage. In addition to acquiring rights to technologies that are essential for our products, we focus on developing patents that impact other companies' products. With competitors here in Japan, as well as in South Korea and China, we promote the acquisition of intellectual property rights while maintaining an awareness of other companies' products. (Fig. 2)

(Fig. 1) Number of patents held



(Fig. 2) Competitor patent application prevention rate



Note: Calculated based on 20 years of patent application statistics (FY2006–FY2025)

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value
28 Business Environment Surrounding TAIYO YUDEN
29 Business Overview
30 Capacitors
31 Inductors
32 Others
33 Special Feature AI Server Demand Opportunities
36 R&D Intellectual Property Activities
37 R&D
39 Activities on Intellectual Property Rights
Initiatives for Enhancing Corporate Value
Social Value
Achievements, Evaluations, and Corporate Data

Initiatives for Enhancing Corporate Value

Social Value

TAIYO YUDEN's social value lies in contributing to the resolution of social issues through the provision of electronic components.

Through the development of products that meet customer demands for miniaturization, high capacitance, high efficiency, and high reliability, we support end products that are more energy efficient, lighter, thinner, and smaller, with higher performance, contributing to the realization of a society where all devices are connected via networks.

Our social value goes beyond CSR, also contributing to economic value through improved customer value and enhanced competitiveness over the medium- to long-term, and is positioned as the core of TAIYO YUDEN's business growth.

Sustainability

Fundamental Stance Regarding Sustainability

TAIYO YUDEN's mission is to become "stronger and more socially aware through the wonders of science." Our aim is to pursue sustainable growth for the Group, safe, secure, comfortable, and convenient lives for people, and realization of a sustainable society through our business by demonstrating creativity and innovation to revolutionize society.

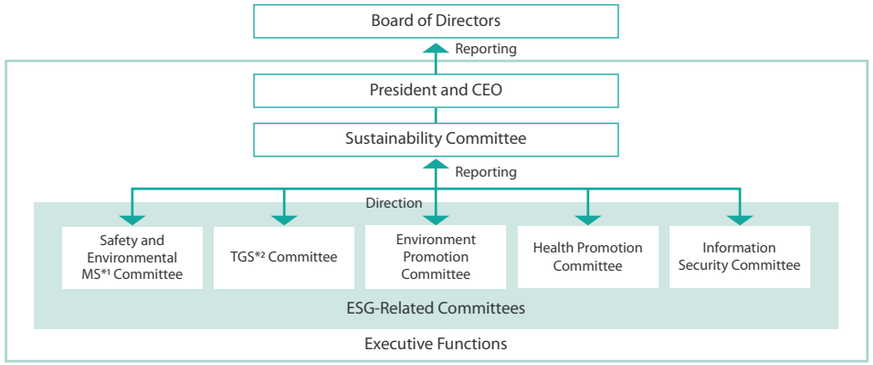
Based on this stance, as an electronic components manufacturer that supports the evolution of electronics technologies, the Group aims to enhance corporate value by providing products and solutions that contribute to the resolution of social issues, while realizing both economic and social value.

In the Medium-Term Management Plan 2030, we set specific measures and numerical targets and will work steadily toward their achievement, so that we are able to contribute to the realization of sustainable well-being for society by enhancing corporate value through both economic and social value.

Going forward, TAIYO YUDEN will continue to work with stakeholders and contribute to the realization of a more prosperous and sustainable society.

Sustainability Promotion Structure

The Sustainability Committee, chaired by the President and Chief Executive Officer, comprising Operating Officers who are Chiefs of Headquarters and the Operating Officer in charge of sustainability, with non-committee member directors attending Committee meetings as observers, meets four times a year. The Committee sets materiality, shares issues, and holds discussions on measures aimed at resolving those issues. The committee chair, the President and Chief Executive Officer, reports details of these discussions to the Board of Directors which deliberates on them as appropriate.



*1 The management system
*2 Taiyo Green Strategy, which is a meeting body to discuss matters concerning chemicals based on stakeholders' requirements

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value
Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety
Achievements, Evaluations, and Corporate Data

Corporate Governance



From left:
Emiko Hamada, Outside Director
Masashi Hiraiwa, Outside Director
Tomomitsu Fukuda, Director, Senior Executive Operating Officer
Seiichi Koike, Outside Director
Katsuya Sase, Representative Director, President and CEO
Iwao Fujikawa, Director, Audit & Supervisory Committee Member (Full-time)
Toshiyuki Watanabe, Director, Executive Operating Officer
Tomoko Tsunoda, Outside Director, Audit & Supervisory Committee Member
Tomomi Fujita, Outside Director, Audit & Supervisory Committee Member

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value

Initiatives for Enhancing Corporate Value
Social Value

40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety

Achievements, Evaluations, and Corporate Data

Corporate Governance Structure

To achieve sustainable growth and enhance corporate value over the medium to long term, TAIYO YUDEN places great importance on ensuring transparency and fairness in management, while also balancing swift decision-making with effective oversight. Accordingly, TAIYO YUDEN has adopted a Company with an Audit & Supervisory Committee, which enhances management agility by delegating decisions on important matters related to the execution of business operations to executive directors, while enabling the Board of Directors to focus efforts on deliberating management strategies, capital policies, and other important matters, and supervising business operations. Additionally, we aim to sustainably enhance corporate value by ensuring transparency and objectivity in the nomination and remuneration of directors through the Nomination and Remuneration Committees, and by establishing a system that incorporates internal controls and sustainability initiatives into management.

Corporate Governance Advances

2001–2013
Established foundation

- Introduced Operating Officers system
- Introduced stock-based remuneration plan
- Appointed first Outside Director
- Set one-year term for Directors
- Established Nomination and Remuneration committees
- Established independence standards

2014–2020
Increased effectiveness

- Established Basic Policy for Corporate Governance
- Commenced Board effectiveness evaluations
- Formulated succession plans
- Raised the ratio of Outside Directors to one-third or more
- Utilized outside organization to evaluate Board effectiveness

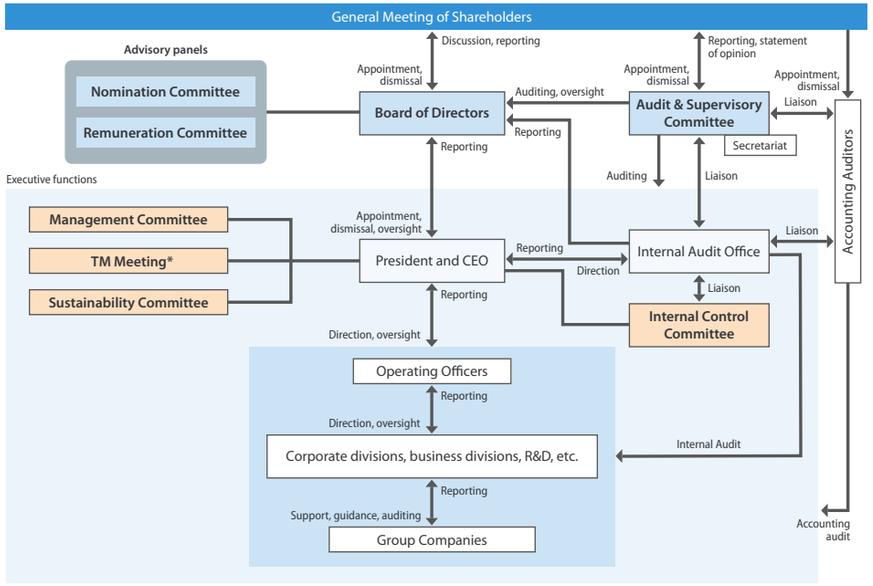
2021–2024
Strengthened governance

- Established Sustainability Committee
- Introduced partial performance-based stock-based remuneration
- Transitioned to a Company with an Audit & Supervisory Committee
- Outside Director ratio to 50%
- Female Director ratio to 30%
- Introduced restricted stock-based remuneration

2025–
Enhanced monitoring

- Established Shareholding Guidelines
- Outside Director ratio over 50%
- Medium-Term Management Plan 2030-based remuneration

Governance Structure (As of July 2026)



* Abbreviation of Top Management Meeting, which is a meeting body to discuss matters concerning personnel and organization

Board of Directors
The Board formulates management strategies and other basic policies, receives reports on matters delegated to executive directors, and supervises the execution of business operations.

Audit & Supervisory Committee
The Committee conducts highly effective auditing by attending Nomination Committee, Remuneration Committee, and other important internal meetings, and working closely with the Accounting Auditor, the Internal Audit Office, and Group company auditors.

Nomination Committee
The Committee deliberates on the nomination (and re-appointment) of Director candidates, the appointment and dismissal of the President and Chief Executive Officer, and disciplinary matters, and it then reports its findings to the Board of Directors.

Remuneration Committee
The Committee deliberates on remuneration system for Directors and Operating Officers as well as the individual remuneration for each Director, and it then reports the deliberation results to the Board of Directors.

Management Committee
The Committee deliberates on the Group's policy matters, such as basic policy on business, sales strategies and investments, and it then resolves matters delegated by the Board of Directors.

TM (Top Management) Meeting
In addition to deliberations related to Group personnel and organization, the Meeting resolves matters delegated by the Board of Directors.

Internal Control Committee
Based on the "Basic Policy on Maintenance of Internal Control System," the Committee works to improve the internal control system on an ongoing basis and examines and evaluates the status of the system's development and operation to report the evaluation results to the Board of Directors.

Sustainability Committee
The Committee deliberates on the setting of materiality (key issues) for the Company, the sharing of such issues, and measures to resolve them and reports the deliberation results to the Board of Directors.

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value

Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety

Achievements, Evaluations, and
Corporate Data

Board of Directors

To ensure substantive and vigorous discussions at Board of Directors, our basic policy is to maintain a diverse and well-balanced Board composition. Additionally, to strengthen its oversight function, a majority of the Board consists of Outside Directors who meet Company independence criteria.

Activities (FY2025)

Chair: Katsuya Sase (Representative Director, President and CEO)
Meetings: 15 times
Main deliberation content:

Governance	• Appointment of candidate Directors • Establishment of the Shareholding Guidelines for Directors • Conducting an evaluation of the effectiveness of the Board of Directors and determining countermeasures for issues
Management strategy	• Deliberation on and approval of the medium-term management plan • Approval of business plan and confirmation of progress
Sustainability	• Deliberations on the report from the Sustainability Committee • Deliberations on human capital

Audit & Supervisory Committee

The Audit & Supervisory Committee consists of three members, including two Outside Directors, and is also chaired by an Outside Director. Its members possess expertise in finance, accounting, and legal affairs and work closely with the Accounting Auditors, the Internal Audit Office, and other relevant departments to conducts highly effective audits.

Activities (FY2025)

Chair: Tomoko Tsunoda (Outside Director)
Meetings: 20 times
Main deliberation content:

Matters to be resolved	• Accounting Auditor appointment/dismissal and audit fees • Formulation of audit policies and audit plans • Accounting Auditor independence and qualification evaluations, etc.
Matters to be reported	• Status of internal audits and internal controls • Status of Group company audits • Status of business execution in each division • Status of human capital initiatives • Reports on matters discussed by the Board of Directors, etc.
Matters for discussion	• Responses to key audit matters (KAM) • Evaluation of Audit & Supervisory Committee auditing • Review of audit policies and plans • Accounting Auditor appointment/dismissal guidelines, etc.

Nomination and Remuneration Committees

To enhance transparency and objectivity in director nomination and remuneration, we voluntarily established Nomination and Remuneration Committees, each of which is composed of a majority of independent Outside Directors. The Nomination Committee deliberates on matters such as the selection of Director candidates and succession planning for the President and Chief Executive Officer, while the Remuneration Committee deliberates on matters that include the corporate officer remuneration system and individual remuneration.

Nomination Committee Activities (FY2025)

Chairperson: Masashi Hiraiwa (Outside Director)
Meetings: 5 times
Main deliberation content:

- Deliberation on the skills matrix for Directors
- Deliberation on the succession plan for the President and Chief Executive Officer
- Deliberation on Director candidates

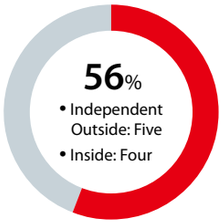
Remuneration Committee Activities (FY2025)

Chairperson: Seiichi Koike (Outside Director)
Meetings: 11 times
Main deliberation content:

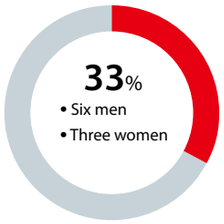
- Deliberation regarding content of remuneration of individual Directors and Operating Officers.
- Deliberation on the General Meeting of Shareholders' proposal relating to measures for transferring unexercised share acquisition rights into restricted stock
- Review of the remuneration plan for directors in connection with the medium-term management plan

Director Composition

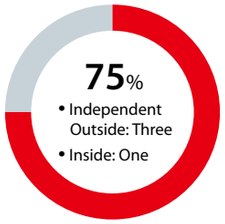
Ratio of Independent Outside Directors



Ratio of female Directors



Nomination and Remuneration Committee Independent Outside Directors Ratio



At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value

Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety

Achievements, Evaluations, and Corporate Data

Evaluation of the Effectiveness of the Board of Directors

The Company conducts the evaluation of the effectiveness of the Board of Directors annually to improve the effectiveness of the Board of Directors and enhance its corporate value. In addition to revising the evaluation items and questionnaire content, based on the suggestions of an external evaluation agency, we had the external evaluation agency be in charge of the administration from the distribution of the questionnaire and the aggregation of answers to the analysis of results in order to increase the objectivity and transparency of the evaluation process. The evaluation process and results for FY2025 are as follows.

Evaluation Process

(1) Consider the evaluation methods and questionnaire content, based on the suggestions and advice of the external evaluation agency, and report to the Board of Directors.
(2) The external evaluation agency conducts an (anonymous) questionnaire to evaluate the effectiveness of all Directors.
(3) The external evaluation agency compiles and analyzes the results of the questionnaire described in (2) above, extracts issues and opinions that may require discussion, and reports them.
(4) Evaluation meetings were conducted by all Directors based on the results of the questionnaire in (3) above.
(5) Discussed opinions and issues that come up in the evaluation meetings by the Board of Directors, and determined any issues to be addressed.

Issues Identified in FY2024

- "Discussion on investments in human capital that are linked to the management strategy"
- "Discussion on the role of the Board of Directors as a monitoring board and the role of each Director"

FY2025 Initiatives

- Regular reports to the Board of Directors are required regarding the status of initiatives and investments related to human capital, and the Board of Directors supervises the progress and implementation status of such initiatives.
- The Board of Directors discussed the appropriate role and oversight approach for a Board of Directors oriented toward a monitoring board function. Building on this, the Board of Directors has established the metrics and benchmarks to be monitored and is applying them to the management of progress under the medium-term management plan.

Evaluation by External Organization

On the questionnaire, more than 90% of items received positive evaluations, with the Company being highly commended for continuously addressing issues identified by the Board of Directors during previous effectiveness evaluations, and for verifying the status of associated improvement efforts. In particular, the Board's establishment of metrics and benchmarks, as well as the development and operation of a system for monitoring them, was evaluated as an initiative that strengthens oversight functions.

Issues and Initiatives Going Forward

The Board of Directors recognizes that "Sophistication of the monitoring functions of the Board of Directors" is an issue that must be addressed going forward. The Board will continue to engage in monitoring activities based on established metrics and benchmarks, and periodically verify their effectiveness to further improve supervisory functions. The Board will also discuss how it should exercise oversight when delegating authority, to increase its effectiveness as a monitoring body.

Main Initiatives

- Verify effectiveness of monitoring indicators
- Verify status of Board deliberations after delegating authority

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value

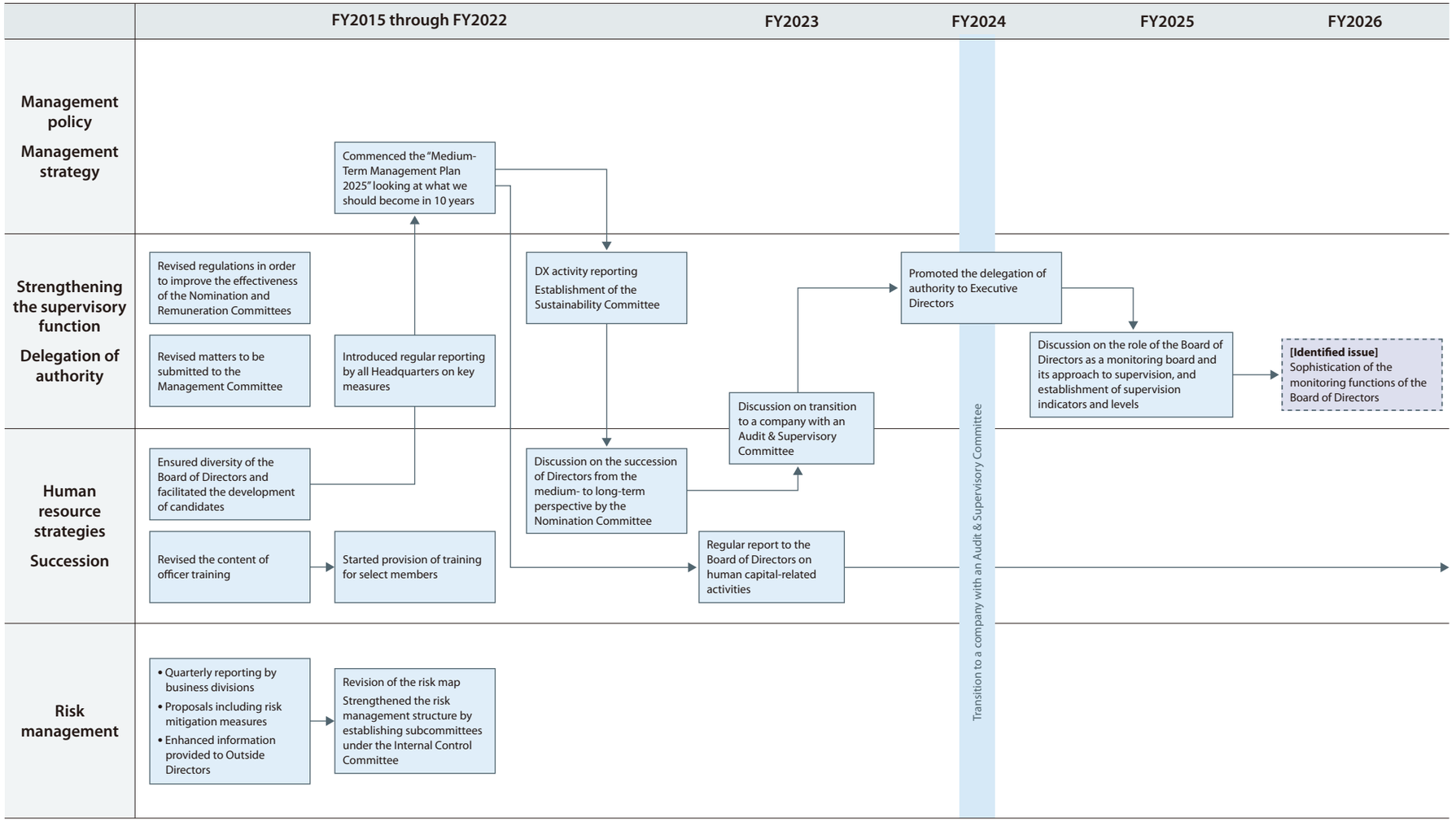
Initiatives for Enhancing Corporate Value
Social Value

40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety

Achievements, Evaluations, and Corporate Data

Major Issues and Countermeasures in the Effectiveness Evaluation of the Board of Directors

The major issues and countermeasures in the past effectiveness evaluation of the Board of Directors are as follows.



At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value

Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety

Achievements, Evaluations, and Corporate Data

Skills and Composition of Directors

TAIYO YUDEN identifies the skills necessary to achieve the Medium-Term Management Plan 2030 and sustainably enhance corporate value, and appoints Director candidates who possess diverse backgrounds that broadly cover these skills. The skills we require of Directors and the reasons for their selection are as follows.

Skills	Reasons for selecting these skills
Corporate management	To formulate and execute management strategies and supervise management to enhance our corporate value sustainably.
Technology/R&D	To create high-value electronic components, focusing on high-end and highly reliable products, and secure market dominance.
Sales/Marketing	To formulate and implement appropriate strategies with the aim of adapting to the diverse and rapidly changing business environment.
International experience	To appropriately supervise the formulation and execution of strategies and business operations in our globally active Group, where a high percentage of sales comes from overseas markets.
Finance/Accounting	To develop financial strategies and capital policies that align with management strategies and to carry out IR activities, taking into account demands from capital markets.
Legal	To ensure compliance with applicable laws and corporate ethics, to meet the trust of all stakeholders, and to build and implement a system that enables healthy, proper, and efficient business execution.
ESG/Sustainability	To recognize that ESG factors can present both opportunities and risks for management and to contribute to creating a sustainable society by addressing social issues through business activities.

Skills Matrix (main areas of expertise and experience of the Board of Directors) (As of July 2026)

◎ Chairperson ○ Members

	Main areas of expertise and experience							Nomination Committee	Remuneration Committee
	Corporate management	Technology/R&D	Sales/Marketing	International experience	Finance/ Accounting	Legal	ESG/Sustainability		
Katsuya Sase	●	●	●				●	○	○
Tomomitsu Fukuda	●			●	●		●		
Toshiyuki Watanabe	●		●	●					
Masashi Hiraiwa Outside Independent				●		●		◎	○
Seiichi Koike Outside Independent	●	●		●				○	◎
Emiko Hamada Outside Independent		●	●				●	○	○
Iwao Fujikawa (Full-time Audit & Supervisory Committee Member)						●	●		
Tomomi Fujita (Audit & Supervisory Committee Member) Outside Independent						●	●		
Tomoko Tsunoda (Audit & Supervisory Committee Member) Outside Independent	●				●		●		

*1 Note that the table above does not necessarily show all experience and knowledge that the Directors have.
*2 For audit purposes, one Audit & Supervisory Committee member designated by the Audit & Supervisory Committee attends meetings of the Nomination Committee and the Remuneration Committee.

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value
Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety
Achievements, Evaluations, and
Corporate Data

Corporate Officer Remuneration

The remuneration plans for directors (and other officers) of the Company aim to provide appropriate incentives to achieve the medium-term management plan goals and sustainably enhance corporate value. With the launch of the Medium-Term Management Plan 2030, we further strengthened the linkage between remuneration and the economic and social value targets set forth in the medium-term plan, as well as our commitment to sharing value with shareholders. Specifically, we increased the proportion of variable and stock-based remuneration, and adopted consolidated operating profit margin—an indicator also used for employee bonuses—as the indicator for performance-based bonuses, thereby establishing a system in which Corporate Officers and employees work toward the same goals. Additionally, incorporating sustainability indicators into evaluation indicators for stock-based remuneration creates a system that encourages efforts aimed at enhancing corporate value over the medium to long term.

Key Enhancements Aligned with Medium-Term Management Plan 2030

(1) Strengthened performance linkage
- Increased the proportion of variable and stock-based remuneration for Corporate Officers
- Representative director remuneration ratio is set as "basic compensation: bonus: stock = 1:1:1"

(2) Commitment to shared profit goals
- Switched to consolidated operating profit margin as performance-based bonus indicator
- Established a system in which Corporate Officers and employees work toward the same goals

(3) Strengthened linkage with social value
- Incorporated sustainability indicators into evaluation indicators for stock-based remuneration
- Strengthened linkage between the medium- to long-term enhancement of corporate value and improved social value

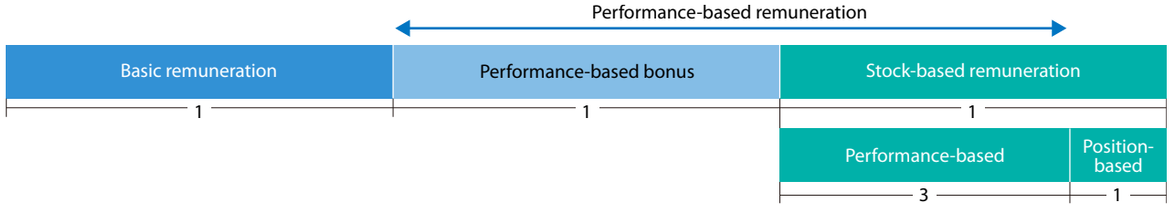
Remuneration Types and Details

Type of remuneration		Content, etc. of remuneration	Fixed/variable
Basic remuneration		Monthly cash in accordance with position and responsibilities	Fixed
Performance-based bonus		Cash to be paid at a fixed time each year in accordance with the consolidated performance for each fiscal year • Performance evaluation indicators shall be designed to appropriately reflect the profitability of the Company's business and shall be the same as the consolidated operating profit margin used as the calculation indicator for employee bonuses. • The amount to be paid shall be calculated by multiplying the standard amount for each position by the payout ratio based on the level of achievement of the performance evaluation indicators (variable within a range of 0% and 200%).	Variable
Stock-based remuneration	Performance-based post-delivery restricted stock-based remuneration	Stock-based remuneration aimed at motivating the enhancement of medium- to long-term corporate value • Performance evaluation indicators shall be selected from the economic and social value goals set in the medium-term management plan and decided by the Board of Directors after consulting with the Remuneration Committee. • Restricted stock, calculated by multiplying the standard amount for each position by the payout ratio based on the level of achievement of the performance evaluation indicators, will be issued at the end of each fiscal year. • The restrictions shall be released upon the forfeiture of all and any positions as Director and Operating Officer of the Company.	Variable
	Restricted stock-based remuneration by position	Stock-based remuneration aimed at sharing value with shareholders • On the condition of continuous service for the period set by the Company's Board of Directors, restricted stock will be issued in advance at a certain time each year in accordance with the standard amount by position. • The restrictions shall be released upon the forfeiture of all and any positions as Director and Operating Officer of the Company.	Fixed

Performance Evaluation Indicators

		Performance evaluation indicators		Reason for selection	Evaluation weight	Range of payment rate
Performance-based bonus		Consolidated operating profit margin		Because it is an indicator that appropriately reflects the profitability of the Company's business and also serves as the calculation indicator for employee bonuses	100%	0% to 200%
Stock-based remuneration	Performance-based post-delivery restricted stock-based remuneration	Economic value goal	Consolidated return on equity (ROE)	Evaluation of management efficiency and medium-term corporate growth	50%	0% to 200%
		Social value goal	Sustainability indicators	Realization of social value goals and medium- to long-term improvement of corporate value	50%	0% to 100%

Composition of remuneration for Representative Director, President and Chief Executive Officer (as per design)



At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value
Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety
Achievements, Evaluations, and
Corporate Data

Executives (As of July 1, 2026)

Directors



Representative Director, President and CEO

Katsuya Sase

April 1986	Joined the Company
June 2013	Operating Officer of the Company
April 2015	Senior Operating Officer of the Company
April 2016	Executive Operating Officer of the Company
June 2016	Director and Executive Operating Officer of the Company
June 2018	Director and Senior Executive Operating Officer of the Company
June 2023	Representative Director, President and Chief Executive Officer of the Company (to the present)



Director, Senior Executive Operating Officer

Tomomitsu Fukuda

April 1990	Joined the Company
June 2013	Operating Officer of the Company
April 2016	Senior Operating Officer of the Company
June 2021	Director and Senior Operating Officer of the Company
June 2022	Director and Executive Operating Officer of the Company
June 2025	Director and Senior Executive Operating Officer in Charge of Management Planning Headquarters, Chief of Management Planning Headquarters of the Company (to the present)



Director, Executive Operating Officer

Toshiyuki Watanabe

April 1985	Joined the Company
April 2007	President of TAIYO YUDEN (SINGAPORE) PTE. LTD.
April 2013	General Manager of the Management Department, Integrated Module & Device Business Headquarters of the Company
April 2016	Operating Officer of the Company
January 2019	President of KOREA TAIYO YUDEN CO., LTD.
June 2021	Senior Operating Officer of the Company
June 2024	Director and Senior Operating Officer of the Company
June 2025	Director and Executive Operating Officer in Charge of Sales Headquarters, Chief of Sales Headquarters of the Company (to the present)



Outside Director

Masashi Hiraiwa

April 1981	Registered as attorney (to the present)
	Joined OHHARA LAW OFFICE (to the present)
August 2005	Supervisor of LCP, Inc.
October 2012	Supervisor of Japan Logistics Fund, Inc.
June 2016	Outside Director of the Company (to the present)
April 2024	Director of SAZABY LEAGUE, Ltd.



Outside Director

Seiichi Koike

April 1980	Joined Toyo Kogyo Co., Ltd. (Currently Mazda Motor Corporation)
March 1982	Joined Honda R&D Co., Ltd.
April 2004	General Manager of Automobile R&D Center Brazil of Honda R&D Co., Ltd.
April 2008	Executive Officer and General Manager of Development Engineering Headquarters of Honda Foundry Co., Ltd.
June 2011	Director of Honda Foundry Co., Ltd.
June 2012	Director of Metts Corporation
June 2013	Audit & Supervisory Board Member of Metts Corporation
	Audit & Supervisory Board Member of Honda Foundry Co., Ltd.
June 2018	Outside Director of the Company (to the present)
April 2019	Outside Audit & Supervisory Board Member of Pixie Dust Technologies, Inc. (to the present)



Outside Director

Emiko Hamada

April 1984	Joined the Company
December 2001	General Manager of R Technology Department, Overall Technology & Quality Assurance Management, Technology Group of the Company
September 2003	Chief Researcher of Basic Research and Development Department, Research Institute, Technology Group of the Company
April 2007	Left the Company
November 2008	Associate Professor of Center for Social Contribution and Collaboration of Nagoya Institute of Technology
April 2011	Professor (Techno-Business Administration) of Graduate School at Center for Social Contribution and Collaboration of Nagoya Institute of Technology
April 2012	Professor of Center for Research on Assistive Technology for Building a New Community of Nagoya Institute of Technology
May 2015	Third Sector Program Officer of Adaptable and Seamless Technology transfer Program through target-driven R&D of Japan Science and Technology Agency
August 2016	Visiting Professor of Nagoya University
June 2017	Outside Director of NGK INSULATORS, LTD. (Currently NGK Corporation) (to the present)
June 2019	Outside Director of the Company (to the present)
September 2024	Trustee, Nagoya City University (to the present)

For the career summaries of Directors, please refer to the Executives page on the Company's website.

Executives

Executives / Corporate Information.

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value
Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety
Achievements, Evaluations, and
Corporate Data

Executives (As of July 1, 2026)

Directors



Director, Audit & Supervisory Committee Member (Full-time)

Iwao Fujikawa

April 1988	Joined the Company
July 2019	Operating Officer of the Company
June 2025	Senior Operating Officer of the Company
June 2026	Director, Audit & Supervisory Committee Member (Full-time) of the Company (to the present)



Outside Director, Audit & Supervisory Committee Member

Tomomi Fujita

October 2004	Registered as attorney (to the present)
	Associate of Kitahama Partners
January 2012	Partner of Kitahama Partners
April 2016	Partner of Innoventier (to the present)
June 2019	Outside Audit & Supervisory Board Member of the Company
	Outside Director (Audit & Supervisory Committee Member) of TAKUMA CO., LTD. (to the present)
February 2020	Vice President of Licensing Executives Society Japan
April 2022	Visiting Professor of KYOTO UNIVERSITY LAW SCHOOL
June 2023	Registered as attorney in California, USA (to the present)
April 2024	Outside Audit & Supervisory Board Member of STYLEM TAKISADA-OSAKA CO., LTD. (to the present)
June 2024	Outside Director and Audit & Supervisory Committee Member of the Company (to the present)
February 2026	President-Elect of Licensing Executives Society Japan (to the present)



Outside Director, Audit & Supervisory Committee Member

Tomoko Tsunoda

October 2001	Joined Tohmatsu & Co. (Currently Deloitte Touche Tohmatsu LLC)
October 2006	Established a personal accounting office
December 2007	Registered as a certified public accountant (to the present)
October 2008	Joined Advisory Business Division, Deloitte Touche Tohmatsu LLC (Currently Deloitte Tohmatsu LLC)
February 2014	Established Tomoko Tsunoda Certified Public Accountant Office Representative of Tomoko Tsunoda Certified Public Accountant Office (to the present)
June 2018	Outside Director of Housecom Corporation
August 2018	Representative Director of Lumiere Ltd. (to the present)
June 2021	Outside Audit & Supervisory Board Member of KATITAS Co., Ltd. (to the present)
June 2024	Outside Director, Audit & Supervisory Committee Member of the Company (to the present)

Operating Officers



President and CEO
Katsuya Sase



Senior Executive Operating Officer
Tomomitsu Fukuda
Management Planning Headquarters



Executive Operating Officer
Toshiyuki Watanabe
Sales Headquarters



Senior Operating Officer
Mitsuo Takagi
2nd Business Headquarters



Senior Operating Officer
Shoji Shibasaki
1st Business Headquarters



Operating Officer
Osamu Haruyama
Quality Assurance Division



Operating Officer
Shoichiro Hirakuni
Global SCM Development Division



Operating Officer
Satoshi Yamazaki
Management Information System, Legal



Operating Officer
Kenichi Suzuki
Sales and Business Development Division



Operating Officer
Yukihiro Konishi
Research and Development Laboratory



Operating Officer
Nobuhiro Sasaki
Multilayer Capacitor Business



Operating Officer
Masanori Nagano
Inductor Division



Operating Officer
Jun Nakajima
Marketing Division



Operating Officer
Miyuki Tsunegi
Human Resources, General Affairs

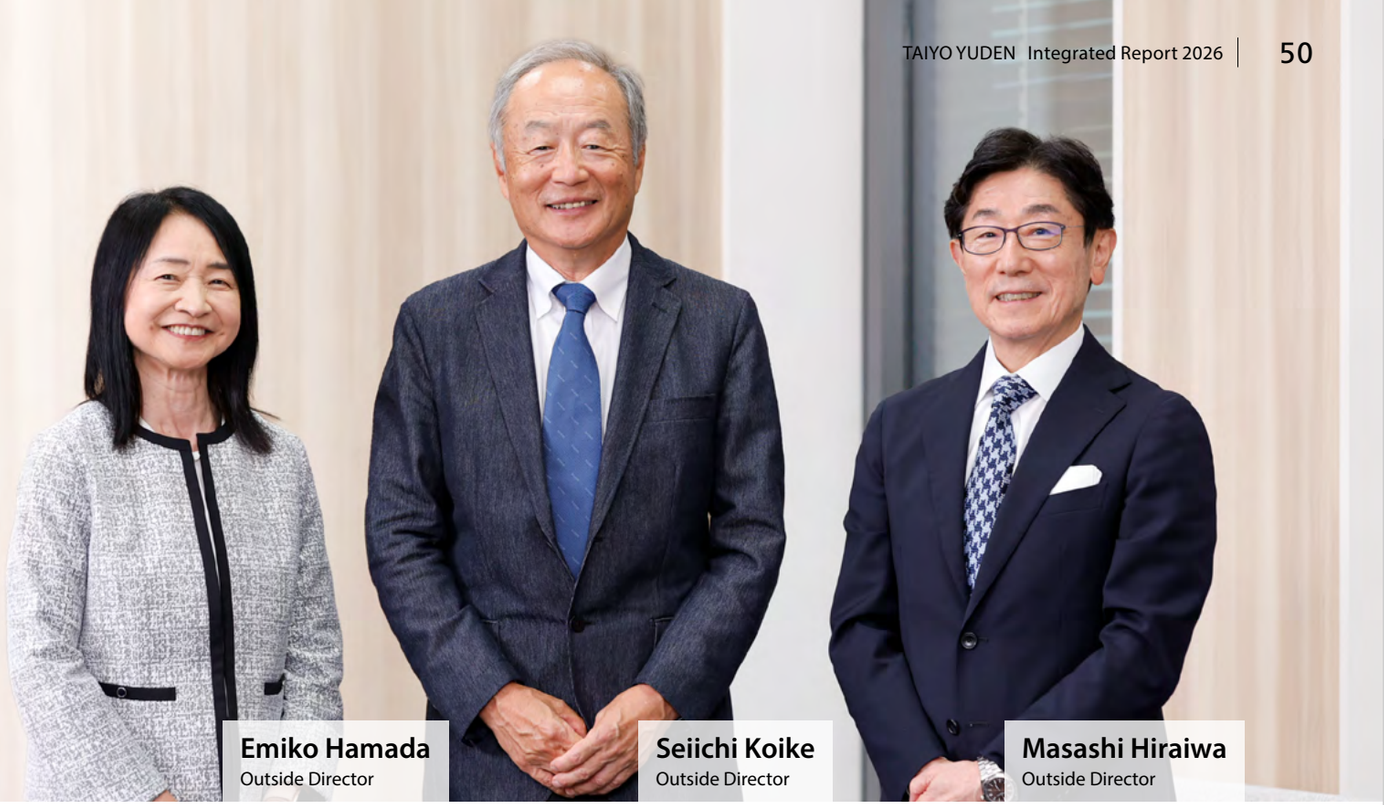
At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value

Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety

Achievements, Evaluations, and Corporate Data

Outside Directors in Conversation

Board of Directors' Oversight and Effectiveness in Consideration of Medium-Term Management Plan 2030



Looking Back at Medium-Term Management Plan 2025

The challenge lies in TAIYO YUDEN's ability to respond agilely to environmental changes

Hiraiwa: At the time of the Medium-Term Management Plan 2025's formulation, TAIYO YUDEN had adopted a plan to strengthen production capacity on the premise of growing demand for electronic components. In reality, however, demand did not grow as anticipated, resulting in a mismatch between the timing of sales growth and capital investment. I also view the performance of the devices for communications device business falling short of the plan as a factor in the Company's failure to achieve its targets. However, I do not believe that the capital investment itself, which was focused on capacitors in preparation for future demand, was a mistake. When demand recovers, upfront investment will serve as a driving force for growth. The important thing will be to identify demand fluctuations with greater precision and strengthen the framework to enable the next initiative to be executed quickly and decisively when changes do occur.

Hamada: The period covered by the Medium-Term Management Plan 2025 saw a succession of unforeseen events, such as the COVID-19 pandemic and changes in the global situation. During that time, the inductor business became a more prominent pillar of growth compared to what it had been five years before. So even in the midst of such challenges, I believe the Company has been advancing the necessary actions, such as implementing structural reforms in the communication devices business, which had been struggling due to significant changes in the business environment.

Koike: As regards the failure to achieve targets, I believe it is important to examine not only the external environment but also internal factors. We had been monitoring changes in business performance and market conditions through monthly reports, and appropriate responses had been discussed at Board of Directors' meetings. For example, while cutting fixed costs is one measure to improve profitability, it is inextricably linked to the challenge of securing the necessary personnel and production systems for when demand recovers in the future. We therefore engaged in careful and repeated discussions, but the prolonged period leading up to the bottoming out of the demand cycle made it difficult to determine the right timing for a response, a situation that persisted for some time.

What we have reaffirmed through the Medium-Term Management Plan 2025 is the importance of perspective with regard to at what stage to prompt a concrete response when signs of change are detected. I consider this to be one of the significant insights gained by the Board of Directors.

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value
Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety
Achievements, Evaluations, and Corporate Data

Formulation of Medium-Term Management Plan 2030

Focus was on discussions concerning the feasibility of the implementation plans

Hamada: In formulating the Medium-Term Management Plan 2030, outside directors were involved in discussions from the initial stages by participating in strategy planning meetings, which were led by executive directors. Although there were no major objections to the direction of prioritizing continuity with the Medium-Term Management Plan 2025, the focus of the discussions was the feasibility of the plans presented by each business division.

Initially, the plans presented involved setting conservative targets for the first half of the Medium-Term Management Plan, while aiming to rapidly close the gap with the targets in the second half. If a business division was truly going to achieve a target, clarification was needed, so our question was "When and how will you execute the necessary actions, and what form will they take?" Fleshing out the specific measures and the allocation of management resources required to achieve the Company's targets formed the focal point of these discussions. Under the Medium-Term Management Plan 2025 we had experienced a situation in which the premises of the plan shifted significantly due to changes in the external environment. It was for that very reason that a key feature of the Medium-Term Management Plan 2030 was that we engaged in in-depth discussions not only on the validity of the targets but also on the underlying assumptions and risks.

Koike: I prioritized two perspectives during the formulation process of the Medium-Term Management Plan 2030. The first point concerned the validity of the economic and social value objectives and the soundness of the methods for achieving them. The Medium-Term Management Plan 2030 is also a plan by which the Company will once again take on the challenges of several targets that were not achieved under the Medium-Term Management Plan 2025. That is precisely why, rather than merely aggregating items, we verified whether the priority measures, allocation of management resources, and execution timelines were logically structured. I view the plan as having a high probability of success.

The second was a long-term perspective with a view toward growth from FY2030 onwards. I engaged in repeated discussions, raising questions that went beyond short-term earnings improvement. My questions covered issues that included whether there were any gaps in product competitiveness and R&D themes essential for future growth, and the timeframes for commercializing cutting-edge research from the R&D Division. I believe that to a certain extent these discussions have been reflected in the Medium-Term Management Plan 2030.

Hiraiwa: Reflecting on the lessons learned from the Medium-Term Management Plan 2025, a key point of discussion was the extent to which the Company could improve the accuracy of its demand forecasting. In addition to the projections from sales divisions, we have now reached the point where we are able to engage in more in-depth discussions than before with regard to the extent to which we can forecast customer demand in specific terms.

Moreover, in response to the long-standing question of whether a strategy relying solely on capacitors was sufficient, the Medium-Term Management Plan 2030 clearly positions both MLCCs and inductors as core businesses. Presenting these two businesses as the twin engines of growth represents a major shift.

To convert technological capabilities into competitive advantage

Koike: TAIYO YUDEN has a long history of refining its ceramic materials technologies. Research into barium titanate—the core material for MLCCs—has continued since the Company's early years. At the present time, the Company is persisting in its efforts to analyze crystal structures at the atomic level and elucidate their correlation with electronic properties. Indeed, this unwavering commitment to materials is one of the sources of the Company's technological advantage.



In contrast, there are also technological areas in which the Company needs to catch up with its competitors. Having accurately recognized its own strengths and market position, has the Company established development targets and timelines that take into account the pace at which competitors are evolving? As an outside director, I believe it is necessary to view R&D and commercialization initiatives from that kind of perspective.

Hamada: The Company has continued to refine the same core technologies while adapting to evolving applications, ranging from TVs, PCs and mobile phones to today's AI servers and automotive applications. This represents a major strength. However, on worksites that continue to meet cutting-edge demands, there are aspects where there is operating with limited capacity. Going forward, it will be essential not only to respond swiftly to immediate customer requests but also to anticipate medium- to long-term technological advancements and customer needs. At the same time, sales and R&D will be required to work in unison to delve deeply into the next technological themes.

Transitioning to corporate officer remuneration system linked with Medium-Term Management Plan 2030

Koike: Coinciding with the launch of the Medium-Term Management Plan 2030, in FY2025 extensive discussions were

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value

Initiatives for Enhancing Corporate Value
Social Value

40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety

Achievements, Evaluations, and Corporate Data

held in Remuneration Committee meetings with regard to a review of the corporate officer remuneration system. The aim was to enhance alignment with the economic and social value targets adopted under the Medium-Term Management Plan 2030 and to further strengthen the management team's commitment to enhancing corporate value.

Specifically, we increased the proportion of variable compensation and stock-based compensation for executive directors, particularly representative directors. We also changed the performance metrics for performance-linked bonuses to consolidated operating profit margin—a metric shared with employees—thereby establishing a system whereby executives and employees are working toward the same goal. In addition, stock-based compensation has been designed to align with the economic and social value targets set forth in the Medium-Term Management Plan 2030, thereby further strengthening value sharing with shareholders.

We have repositioned executive compensation as an incentive to support the achievement of the Medium-Term Management Plan 2030 and the sustainable enhancement of corporate value, revising the system to place greater emphasis than ever on sharing value with shareholders. I would expect the management team to not only achieve the Medium-Term Management Plan 2030 targets but also pursue results that exceed them.

Board of Directors to Oversee Medium-Term Management Plan 2030 and Governance Challenges

What to watch for as a monitoring board?

Hiraiwa: As its business operations expand, the Company also needs to evolve its governance structure. One of the objectives of transitioning to a company with an Audit & Supervisory Committee in 2024 was to accelerate management by delegating authority to executive directors. At the same time, the Board of Directors needed to fulfill its role as a monitoring board by establishing key oversight indicators and continuously monitoring their levels.

Hamada: It is not only the numerical results that outside directors should prioritize. If a plan is not progressing smoothly, it is important to ascertain where the issues lie at an early stage leading to the necessary discussions. Towards the end of the Medium-Term Management Plan 2025, a certain level of common understanding was reached with regard to the approach to monitoring. Under the Medium-Term Management Plan 2030, we will deepen our discussions from a more multifaceted perspective, incorporating not only internal metrics but also the external environment and comparisons with other companies.

Koike: Under the Medium-Term Management Plan 2025 the challenge of how to respond flexibly to changes in the external environment remained. When identifying signs of change under the Medium-Term Management Plan 2030, it will be crucial to verify whether risk awareness is sufficient, whether countermeasures are appropriate, and whether decisions are lagging behind events. It is my belief that engaging constructively at appropriate times as an outside director is key to enhancing the effectiveness of the Board of Directors.

Challenges in further enhancing board effectiveness

Hiraiwa: One of the challenges ahead is the development of next-generation management talent, and further enhancement of succession planning. We need to continue monitoring whether systematic development is being carried out not only for a successor to the President but also for the broader talent pool that will assume management responsibilities in the future.

Hamada: Although the overall governance framework has been put in place, there is still scope to deepen discussions with regard to human capital. Amid growing interest in human capital across society as a whole, there is a necessity to go beyond merely reflecting this in compensation systems and instead revamp HR systems to keep pace with change.

Koike: For outside directors to engage in management from a high-level perspective and fulfill their role of overseeing execution, robust access to information is also crucial. There are cases where it is not possible to fully grasp the underlying business challenges or the situation at worksites from the materials submitted to the Board of Directors alone. I would like the quality of discussions to be further improved by enhancing and broadening opportunities for business divisions to carefully explain the challenges they face, as well as by means of forums in which outside directors and the management team can share management issues.

Hamada: Following the transition to a company with an Audit & Supervisory Committee, I believe that the audit structure has become easier to understand than before. Furthermore, as the delegation of authority has progressed, the items requiring discussion by the Board of Directors have been narrowed down. Looking ahead, we will be at the stage of evaluating—through monitoring progress under the Medium-Term Management Plan 2030—the extent to which the substance of Board of Directors' discussions has itself evolved.

Perspectives toward improvement in capital efficiency

Hiraiwa: To increase ROE, the fundamental first step is to



At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value

Initiatives for Enhancing Corporate Value
Social Value

40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety

Achievements, Evaluations, and Corporate Data



improve profit margins. It is important to increase the number of high-value-added products, which are less susceptible to demands for price reductions while maintaining or raising selling prices. In the meantime, cost reduction efforts must be pursued while maintaining an overall balance to ensure there is no adverse impact on quality or supply.

Hamada: From an ROIC perspective, given the capital-intensive nature of ceramic products, it is crucial to establish a global production system that ensures efficiency while maintaining consistently high capacity utilization rates. Balancing product competitiveness that meets customers' cutting-edge demands with investment efficiency will be a major theme going forward.

Koike: For each business, ROIC tree-based KPI management and portfolio management that utilizes ROIC and sales growth rates are being promoted. In the event that a business remains stuck in a state of low ROIC and low growth for an extended period, the Board of Directors must discuss the matter at the appropriate time to ensure that decisions are not delayed.

Balancing growth investments and shareholder returns

Hamada: In the electronic components industry, halting capital investment leads to a decline in competitiveness. The important thing is to proceed with necessary investments while continuously managing investment recovery and risks, thereby ensuring that investments do not go to waste. While balancing R&D investment and shareholder returns, it is essential to first enhance earnings capacity to generate the funds needed for growth investment.

Hiraiwa: It has been only a short time since the launch of the Medium-Term Management Plan 2030 in April 2026. However, against the backdrop of demand for high-value-added products growing at a pace that has exceeded expectations, the Company has made the decision to implement capital investment ahead of schedule. During a period of expansion, it is important to invest not only in facilities but also in the personnel who can effectively utilize them. I also view the Company's expressed intention to raise the DOE target in the future as a reflection of the Company's commitment to prioritizing shareholder returns.

Koike: Also, as regards R&D expenses, in my view investments are being made at an appropriate level. To maintain medium- to long-term competitiveness, it is crucial to balance immediate earnings improvement with investments for future growth, and I will verify the appropriateness of this allocation on an ongoing basis.

Making "wonders of science" source of enhanced corporate value

Koike: The Company's corporate mission—Stronger and more socially aware through the wonders of science—is truly unique. These words express a corporate culture that values intellectual curiosity about science and technology as well as inspiration and serendipitous discoveries. The Company has been pioneering innovative inventions and opened up new fields through "the wonders of science." However, what matters is supporting a lifestyle that is safer, more secure, comfortable, and convenient—and contributing to the resolution of social issues—through that science and technology. Under the Medium-Term Management Plan 2030, the Company is aiming to realize "sustainable well-being" in society by supporting the evolution of electronics technology in fields such as AI, mobility, next-generation energy, and healthcare.

I consider "the wonders of science" to be the source of the Company's competitiveness and at the same time the driving force behind its creation of social value. The materials and electronic component technologies in which the Company's strengths lie possess the potential to assist in resolving a range of societal challenges. I look forward to giving added impetus to these initiatives to realize the value creation outlined in the Medium-Term Management Plan 2030.

Hamada: Even as the times have changed, the Company has consistently continued to fine-tune its expertise in the same technological field while adapting to changes in customer and market needs. My feeling is that this sincerity and single-minded earnestness are the source of the Company's current competitiveness. Furthermore, a management philosophy that values employees, local communities and shareholders has long been upheld. A corporate culture of this kind is difficult to express in numbers, but represents an important foundation underpinning long-term growth. I believe that continuing to provide the value needed by society and customers—while staying true to its unique identity—will lead to the sustainable enhancement of TAIYO YUDEN's corporate value.

Hiraiwa: Despite having grown into a company with global operations, the values and corporate culture established at TAIYO YUDEN's founding continue to be upheld today. I feel that the phrase "the wonders of science" encapsulates not only the Company's commitment to taking on technological challenges but also its desire to contribute to society.

Under the Medium-Term Management Plan 2030, the Company is aiming to achieve both the enhancement of economic value and the creation of social value. As outside directors, we too will fulfill our oversight responsibilities aimed at enhancing corporate value while continuously monitoring progress and results. The Board of Directors is committed to pursuing highly effective governance so that the expectations of all the Company's stakeholders can be met.

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value

Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety

Achievements, Evaluations, and Corporate Data

Risk Management and Compliance

Basic Policy

TAIYO YUDEN believes that in order for a company to achieve sustainable growth, it is important to meet the demands and expectations of stakeholders, appropriately manage anticipated risks, fulfill social responsibilities by contributing to social development, and earn the trust of society.

Accordingly, we define the three areas essential to achieving these goals—compliance, risk management, and social contributions, and promote Group-wide initiatives in line with the CSR Charter and CSR Code of Conduct.

CSR Charter
(TAIYO YUDEN Group Charter on Social Responsibility)
CSR Charter / Governance (G) / Sustainability

CSR Code of Conduct
(TAIYO YUDEN Group Code of Conduct on Social Responsibility)
CSR Code of Conduct / Governance (G) / Sustainability

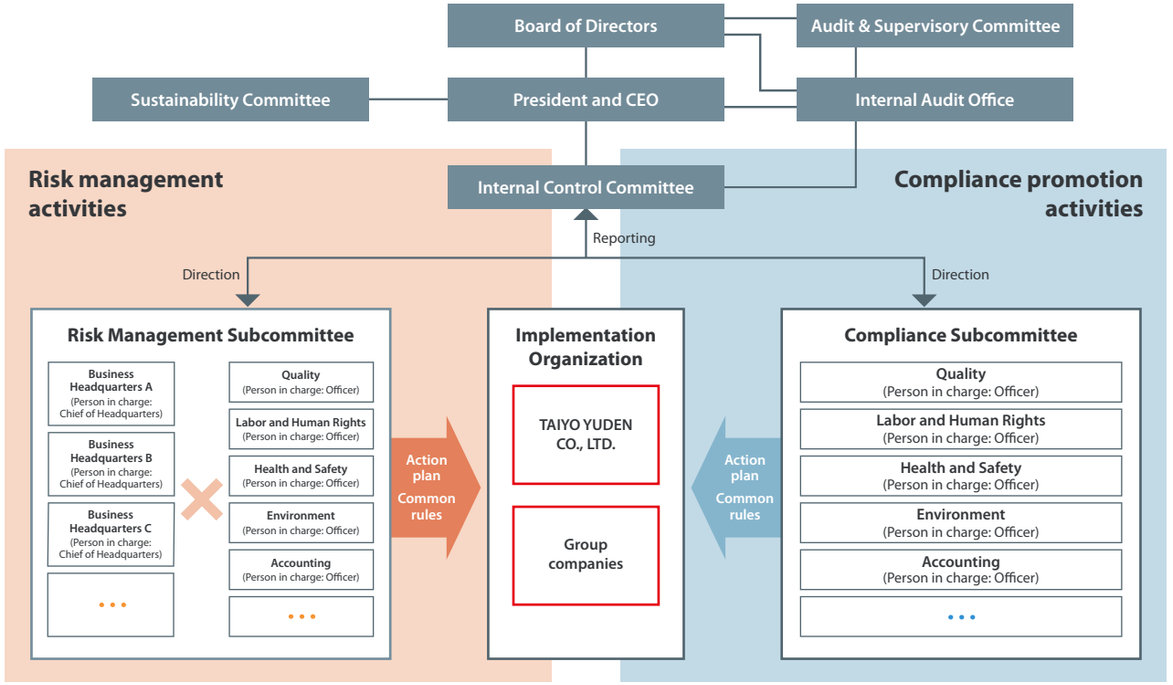
Governance Structure

TAIYO YUDEN CSR activities are based on action plans formulated each year in light of legal, regulatory, and other developments. Finalized plans and results of the previous fiscal year's activities are reported to the Internal Control Committee, which oversees all activities, as well as to the Board of Directors through the President and CEO.

To prepare for potential problems and concerns, we established a system that enables the swift implementation of countermeasures and measures to prevent recurrence, and conduct periodic training sessions for all employees to reduce the likelihood of such occurrences.

In risk management activities, officers in charge and HQ departments appointed for each risk area identify major risks and recommend countermeasures. Based on this policy, each division engages in detailed risk identification and evaluation, and implements appropriate countermeasures.

In compliance promotion activities, officers in charge and HQ departments establish activity policies and Group-wide rules for each provision of the CSR Code of Conduct, and manage and oversee their proper execution by implementing organizations.



At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value
Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety
Achievements, Evaluations, and Corporate Data

Risk Management

Policy

We aim to minimize losses and maximize profits and corporate value by identifying risks in overall company management.

Specific Initiatives

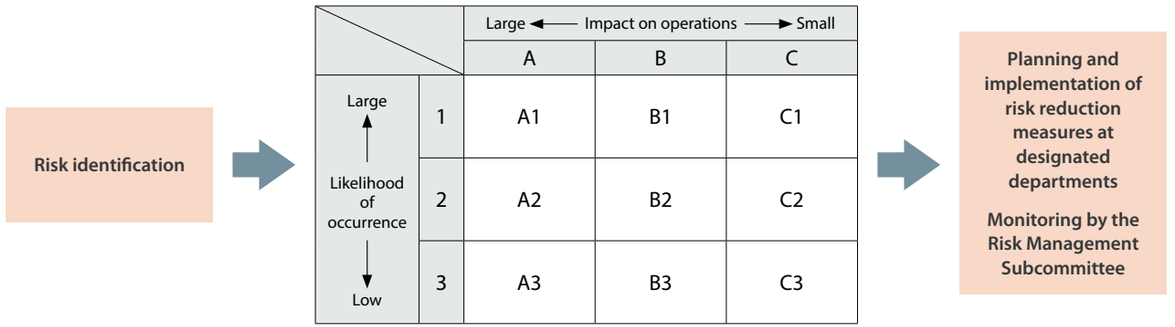
We create a list of risks that affect business activities, and formulate and implement risk reduction measures or risk maintenance and management procedures. These risks are presented in a nine-cell matrix based on operational impact and likelihood of occurrence. As part of our risk management efforts, we re-evaluate the appropriateness of risk reduction measures and maintenance and management procedures annually, and formulate plans for the next fiscal year based on evaluation results.

When new risks arise, we promptly incorporate them into our initiatives and ensure they are addressed.

Business Continuity Plan and Business Continuity Management

In response to the materialization of risks, we activate the Business Continuity Plan (BCP) formulated as part of Business Continuity Management (BCM) and implement business continuity measures. We aim to ensure the safety of our employees, prevent the spread of damage to local communities, safeguard product quality, ensure a stable supply of products to customers, and minimize losses in our business operations. To this end, we formulated a plan that clarifies our continuity policy, system, and execution procedures, and we continuously work to improve this plan.

Risk Assessment Matrix



Examples of Risks and Countermeasures * The risk evaluation shows the location on the risk map.

	Risks	Risk reduction measures	Risk evaluation
Materials procurement	In the event of supply shortages caused by deteriorating political and economic conditions in various countries, the tightening of import and export regulations, and rising demand or other factors leading to higher raw material prices, TAIYO YUDEN Group business performance may be adversely affected.	We are making efforts to increase the number of raw material suppliers to ensure stable supplies and reduce costs. Additionally, with regard to raw materials highly concentrated among specific suppliers, we are making efforts to establish a stable procurement system by entering into long-term supply contracts with these suppliers.	A2
Natural disasters and accidents	In the event of earthquakes, typhoons, floods, and other natural disasters, strikes and other labor disputes, or workplace accidents resulting in operational suspensions or significant damage to production facilities, TAIYO YUDEN Group business performance may be adversely affected.	We are working to establish a BCP system and stable supply system that considers the entire supply chain by implementing the following initiatives and requesting that our suppliers do the same. ■ Ensuring sufficient inventory to last until production lines recommence operations ■ Ensuring global distribution of production bases ■ Ensuring diversification of materials suppliers	A3

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value Economic Value
Initiatives for Enhancing Corporate Value Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety
Achievements, Evaluations, and Corporate Data

Compliance

Policy

We ensure thorough compliance by clarifying applicable laws, regulations, internal rules, and other compliance requirements, while continuously monitoring compliance status and making necessary improvements.

Specific Initiatives

• To deepen understanding of the TAIYO YUDEN Group "CSR Code of Conduct"

To deepen understanding of the CSR Code of Conduct, we created the CSR Code of Conduct Handbook, which explains the code using concise descriptions and illustrations. The Handbook is published in 11 different languages, and distributed to all executives and employees. In addition to providing training for all employees upon joining the Company, we conduct annual training for all executives and employees utilizing e-learning and other methods.

• Prevention of bribery

The TAIYO YUDEN Group strives to prevent socially inappropriate or illegal entertainment and gifts, bribery, and facilitation payments. We established the "TAIYO YUDEN Group Regulations on Entertainment, Gifts, Anti-Bribery, and Conflicts of Interest" and take actions as appropriate based on laws in each country and region.

In particular, we identified the following as bribery risks, then formulated and disseminated appropriate responses:

- Entertainment and gifts to public officials and politicians
- Entertainment and gifts to customers (sales partners and agents)
- Entertainment and gifts from suppliers

In fiscal year 2025, no cases of administrative penalties or criminal punishment related to bribery were confirmed.

Internal Reporting System

The TAIYO YUDEN Group has introduced an internal reporting system with the aim of early detection and correction of acts that violate or may violate the "CSR Code of Conduct."

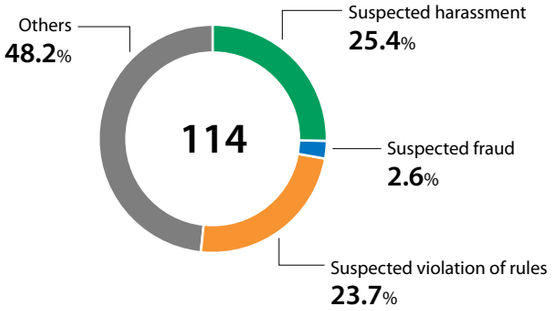
As part of this reporting system, we have established internal reception desks at TAIYO YUDEN and domestic and overseas subsidiaries, as well as external reception desks that provide support in multiple languages, including local languages. Reports and consultations can also be made directly with the Audit and Supervisory Committee desk. To ensure the utmost protection for whistleblowers, we have established rules for managing information that can identify whistleblowers, rules that prohibit retaliation against whistleblowers, and prohibit attempts to identify whistleblowers, while also facilitating anonymous reporting.

We promote the internal reporting system using the Company's internal website, posters displayed in offices, Company newsletters, and annual education for all employees.

We also established a reporting desk on our website so that TAIYO YUDEN Group business partners and other parties outside the Group can report any violations of laws and regulations by Group executives or employees.

In FY2025, 114 reports were received by reporting desks.

Number of Whistleblowing Cases in FY 2025



Note: As percentages are rounded, the total may not add up to 100%.

Tax Policy

The TAIYO YUDEN Group has established a tax policy aimed at ensuring the proper payment of taxes and reducing tax risks in each country and region.

The Group set up a tax management division to oversee tax return information for each Group company, handling everything from the establishment of rules for tax policy implementation, to obtaining risk information. Group companies appoint a tax officer to communicate with the Head Office and address relevant issues. We will also establish a system for gathering information and receiving advice through a network of external experts to address complex tax problems and country-by-country tax regimes. The officer of the Management Planning Headquarters is responsible for tax governance. Critical tax issues are reported to the Board of Directors or an equivalent organization.

Tax Policy

Tax Policy / Governance (G) / Sustainability

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value Economic Value
Initiatives for Enhancing Corporate Value Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety
Achievements, Evaluations, and Corporate Data

Information Security Policy

Basic Policy

TAIYO YUDEN positions information security as one of the most important management issues affecting business continuity and related to maintaining and enhancing corporate value over the medium- to long-term. We established a global information security management system and promote company-wide initiatives under the Information Security Policy.

Information Security Policy

Information Security Policy

Strategy

At TAIYO YUDEN, we recognize various information assets, such as manufacturing processes, technical information, and customer information, as critical assets that are a source of competitive advantage, and we protect and manage these assets appropriately based on the level of risk.

Cyber risks, especially those affecting production sites, directly impact product quality and supply stability, thus we implement multi-layered security measures in the OT domain*, including production equipment, to strengthen the resilience of our manufacturing infrastructure.

Note: Operational Technology. Hardware and software used to monitor and control equipment and production processes in plants and other facilities.

Information Security Certification

As of June 2026, we had expanded the ISO/IEC 27001 certification acquired at our domestic Head Office and Takasaki Global Center to five sales offices in Japan and six overseas sales subsidiaries. We acquired TISAX certification at two locations, the TAIYO YUDEN Head Office and the Tamamura Plant.

Governance Structure

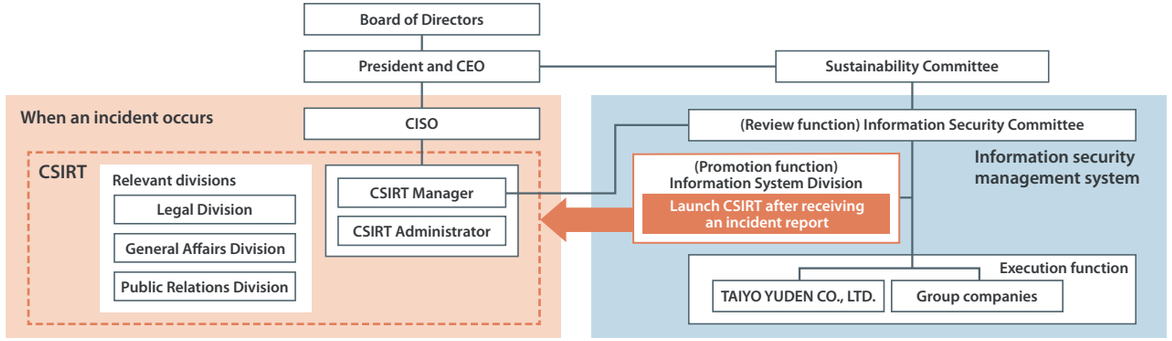
The Chief Information Security Officer (CISO) is responsible for overseeing company-wide information security measures and incident responses.

The Information Security Committee, chaired by the CISO, meets regularly to discuss the information security policy, the progress of various countermeasures, and the status of incident responses, among other matters. The details of these discussions and other key issues are reported to the Sustainability Committee twice a year and incorporated into management decision-making and oversight.

In practice, the Information System Division serves as the secretariat and promotes information security management across the Group.

Response when incidents occur

The Computer Security Incident Response Team (CSIRT) leads the initial response, ascertains the scope of impact, and implements containment and corrective measures. Incidents are promptly reported to the CISO, and when necessary, discussed by the Information Security Committee before being reported to the Sustainability Committee. As a result, we have established a system that ensures consistent decision-making and instruction, from on-site responses to management-level resolutions.



Risk Management

We continuously assess risks related to information assets and implement a multi-layered management approach combining organizational, human, physical, and technical countermeasures.

In addition to establishing group-wide regulations related to information security, we are working to improve information security literacy through training for new hires, regular training for all employees, role-based training, and suspicious email and incident response training.

In addition to controlling access to server rooms, production processes, and other critical areas, we implement integrated security measures combining defense-in-depth, measures including malware countermeasures, vulnerability countermeasures, and network security measures, with access rights management and encryption.

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value
Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety
Achievements, Evaluations, and Corporate Data

Supply Chain Management

Basic Policy

TAIYO YUDEN sets forth in its CSR Charter its philosophy of complying with all laws, regulations, and international rules and their underlying principles, and acting with sound social judgment. It has also established the CSR Code of Conduct, which sets out the conduct expected of all officers and employees of the Group. Additionally, with the RBA Code of Conduct* as our foundation for supply chain management, we promote procurement activities that take into account human rights, labor, health and safety, the environment, and ethics.

To put the Group's philosophy into practice, we established the TAIYO YUDEN Group Basic Procurement Policy. In procuring materials and services for the Group, we provide companies throughout the world with fair and equitable opportunities to do business with us. We also conduct business based on mutual trust, grounded in compliance with laws and regulations and the fulfillment of contracts, while proactively promoting green procurement in consideration of environmental conservation and working to build a sustainable and resilient supply chain. Furthermore, in Japan, we issued a Partnership Building Declaration, and aim to increase added value and realize mutual prosperity with business partners across the entire supply chain.

*Code of conduct established by the Responsible Business Alliance

Basic Procurement Policy

Activities on Procurement / Social (S) / Sustainability

Governance Structure

TAIYO YUDEN's CSR activities are overseen by the Internal Control Committee. For each provision of the CSR Code of Conduct, the officer in charge and the relevant HQ departments establish activity policies and Group-wide rules. With regard to procurement-related initiatives, the officer in charge of procurement and the department responsible for procurement establish overall policies and specific measures, which are implemented by the procurement departments of each Group company.

CSR Procurement Promotion Structure



CSR Procurement Activities

When commencing business with a new supplier, we ask the supplier to agree to the TAIYO YUDEN Group CSR Procurement Guidelines, which stipulate management systems and compliance requirements related to human rights, labor, safety and health, the environment, ethics and fair trade. For key suppliers of raw materials in particular, we implement CSR self-assessments based on the RBA Code of Conduct prior to commencing business, and engage in regular monitoring after business commences to ensure ongoing risk assessment. We conduct CSR audits of suppliers identified through our assessment process as high-risk, and for areas in need of improvement, we ask suppliers to formulate corrective action plans and monitor progress until corrective actions have been completed.

Through these initiatives, the Group is working to raise CSR standards throughout the supply chain and implement stable and secure procurement.

Result of Agreements with "CSR Procurement Guidelines"

Targets for FY2025	Result of FY2025
100%	100%

CSR Procurement Self-Assessment Compliance Rate

Targets for FY2025	Result of FY2025
100%	100%

As of end-FY2025, assessments had been conducted at 566 suppliers.

Based on these results, no significant risks were identified at any supplier companies.

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value
Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety
Achievements, Evaluations, and Corporate Data

Responsible Minerals Procurement

TAIYO YUDEN has established a Responsible Minerals Procurement Policy and promotes activities that take human rights, the environment, and ethics into consideration when procuring minerals used in its products.

Minerals sourced from conflict-affected and high-risk areas may be linked to the financing of armed groups and serious human rights violations, including child labor and forced labor. Through responsible minerals procurement activities, we are working to enhance transparency in mineral procurement throughout our supply chain.

Responsible Minerals Procurement Policy

Responsible Minerals Procurement / Social (S) / Sustainability

Under a management system aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, an international guideline on responsible minerals procurement, we identify smelters and refiners using the latest questionnaires, such as the CMRT and EMRT*2, based on internationally standardized survey programs developed by the Responsible Minerals Initiative (RMI)*1.

In FY2025, we obtained responses from all suppliers handling 3TG*3, confirmed the certification status of smelters and refiners associated with our core products, and conducted risk assessments.

In recent years, the scope of responsible minerals procurement has expanded beyond conflict minerals to include minerals associated with potential risks related to human rights, the environment, and ethics. Accordingly, increasingly rigorous management is required.

In response to changes in customer requirements and societal expectations, TAIYO YUDEN is strengthening its systems for conducting appropriate surveys and management to promote responsible minerals procurement.

Furthermore, because responsible minerals procurement is an issue that requires industry-wide efforts, we participate in the Responsible Minerals Procurement Study Group of the Japan Electronics and Information Technology Industries Association (JEITA), where we exchange information and engage in discussions with member companies.

In addition, at the Responsible Minerals Procurement Briefing Sessions organized by JEITA, we help organize and operate the sessions and also serve as lecturers. We share our knowledge and experience with many participating companies, including our suppliers, thereby contributing to raising awareness of responsible minerals procurement and strengthening initiatives throughout the supply chain.

Approximately 3,000 people attended the FY2025 briefing sessions held at three venues.

*1 An industry association promoting responsible mineral sourcing
*2 RMI survey form on the origin and sourcing of minerals
*3 Tin, tantalum, tungsten, and gold



Business Continuity Plan (BCP)

Supply chain risks are increasing due to rising geopolitical risks, increasingly severe natural disasters, and disruptions in logistics.

Because a supply stoppage at a single supplier of electronic components can have a broad impact on customers' production activities, TAIYO YUDEN regards stable supply as an important management issue. We are developing systems to ensure business continuity and stable supply even when risks materialize.

Based on this understanding, we encourage suppliers to formulate business continuity plans and work to enhance business continuity throughout the entire supply chain.

In addition, the Group is diversifying its suppliers and requesting suppliers of critical components to establish backup production sites.

At the same time, we are working to maintain appropriate inventory levels based on suppliers' recovery plans in preparation for potential disruptions to procurement.

Furthermore, by compiling information on the locations of manufacturers and logistics warehouses into a database, tracing the supply chain back from first-tier suppliers, we have established a system that enables us to respond quickly and appropriately in the event of an accident or natural disaster.

Through these initiatives, we aim to enhance resilience throughout the entire supply chain and achieve stable supply.

Going forward, we will further improve supply chain visibility and enhance our ability to identify and assess risks, with the aim of achieving both stable supply and capital efficiency.

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value

Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety

Achievements, Evaluations, and
Corporate Data

Quality Assurance Activity

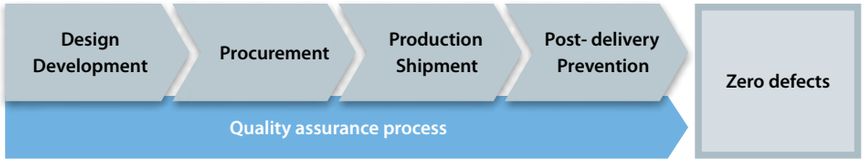
Basic Policy

Quality is one of the most important foundations on which TAIYO YUDEN builds relationships of trust with customers. Continuously providing high-quality products in a stable manner is a source of the Group's competitiveness and our responsibility to society. We promote Company-wide quality assurance activities by building quality into every process—from design, procurement, and production to shipping and post-delivery support—while continuously working to further enhance quality.

Quality Assurance Activity

Quality Assurance Activity / Social (S) / Sustainability

Quality Assurance Activities Promotion

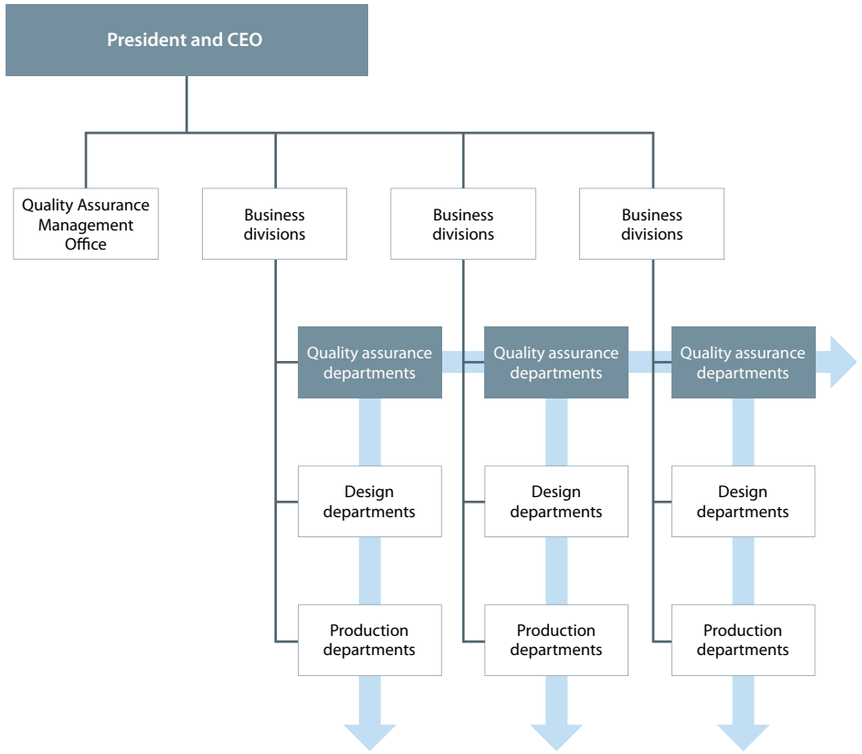


Design and development	By clearly defining quality requirements based on customer needs and applications, and by incorporating risk considerations into the design and verification processes from the development stage onward, we minimize the occurrence of defects after mass production begins.
Procurement	We comprehensively evaluate and manage quality, delivery schedules, and supply stability across the entire supply chain, including raw materials, components, equipment, and external contractors.
Production and shipments	We minimize product quality inconsistency by strictly adhering to standard operating procedures, maintaining and improving process capabilities, detecting abnormalities early, and ensuring traceability. Through pre-shipment inspections and various quality checks, we ensure that products delivered to customers meet required specifications.
Post-delivery support and prevention	In the event defects occur or inquiries are received, we promptly analyze the cause and implement corrective measures, share the findings across relevant departments, and prevent recurrence. Furthermore, we are strengthening efforts to identify key issues through quality data trend analysis and implement preventive measures before problems arise.

Governance Structure

In addition to a vertical management structure in which each division has established quality assurance departments overseeing domestic and overseas production sites, we established a horizontal management system in which the Quality Assurance Division oversees all business divisions, thereby ensuring close information sharing among them.

Quality information collected from within and outside the Company is appropriately analyzed and deployed horizontally across business divisions to prevent quality incidents and avoid recurrence. We have also established a system ensuring that high-priority quality information is promptly and accurately communicated to senior management, enabling them to make immediate management decisions.



At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value
Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety
Achievements, Evaluations, and Corporate Data

Ongoing Education, Auditing, and Improvement

To advance quality assurance activities, it is essential to both establish robust systems and instill a strong sense of quality awareness and consistent behaviors in all employees. The Group continuously provides quality-related education in an effort to improve quality awareness, ensure strict compliance with standards, and strengthen measures to prevent the recurrence of defects.



Quality lectures are held every year for executives and managers

Furthermore, through internal audits and process audits, we regularly review operational status, identify areas for improvement, implement corrective measures, and foster an organizational culture characterized by high ethical standards and transparency.

Additionally, we view quality defects, near misses, and customer feedback as valuable learning opportunities, thus we share the results of root cause analyses and measures to prevent recurrence throughout the Company. Through these cumulative improvements, we are accumulating quality-related information as "organizational knowledge" that will contribute to reducing risks going forward.

Through these ongoing efforts, in FY2025, we maintained a record of zero serious product incidents and zero serious regulatory violations related to product safety.

Status of Observing Regulations and Voluntary Specifications on Product Safety

Indicator	Target	Result		
		FY2023	FY2024	FY2025
Serious product incidents*1	0 incidents	0 incidents	0 incidents	0 incidents
Serious regulatory violations*2	0 incidents	0 incidents	0 incidents	0 incidents+

*1 Incidents posing a serious risk to the life or physical well-being of the general public (deaths, serious injuries or illnesses, permanent disabilities, carbon monoxide poisoning, fires, etc.)
*2 Serious legal or regulatory violations related to product safety requiring public disclosure

Efforts Going Forward

TAIYO YUDEN will continue enhancing its quality assurance activities while adapting to changes in the business environment that include increasingly sophisticated and higher density products, growing supply chain complexity, and rising geopolitical risks. Above all, we will create a more preventive and highly effective quality management structure through predictive management utilizing data, the sharing of quality information among global sites, and stronger collaborations with key suppliers.

We view quality as both the source of our competitiveness and the foundation supporting the trust we receive from society. Through efforts to continuously improve quality assurance activities, we aim to become a corporate group that continues to be trusted and chosen by customers around the world.

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value
Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety
Achievements, Evaluations, and
Corporate Data

Environmental Initiatives

Officer's Message



Shoji Shibasaki
Senior Operating Officer in Charge of 1st Business Headquarters

Toward Carbon Neutrality by FY2050

TAIYO YUDEN's fundamental policy is to enhance corporate value by improving both economic and social value. The Company thus recognizes that responding to environmental issues forms a cornerstone of management that underpins business continuity and growth. In particular, responding to climate change is one of our most important challenges and a responsibility that we must fulfill as a company supplying electronic components globally. Under the Medium-Term Management Plan 2030, we adopted the achievement of carbon neutrality by FY2050 as a clear goal. This plan reconfirms the goal that TAIYO YUDEN aims to achieve, based on the initiatives we have undertaken to date.

To link the Company's response to environmental issues to its management, it is essential to align on-site execution with management decisions and to integrate these efforts in business activities. While determining the priorities for investments and initiatives, we will implement measures across each business division as we aim to achieve carbon neutrality.

Promoting Reduction of GHG Emissions

In moving toward the achievement of carbon neutrality, we have set milestones for FY2030 and FY2040 and are steadily making progress with both business growth and decarbonization. Centering on energy conservation, energy creation, and energy regeneration*1, we will continuously reduce the greenhouse gas (GHG) emissions associated with our business activities. Initiatives geared toward energy conservation and energy creation yielded tangible results during the period covered by the Medium-Term Management Plan 2025. Having determined that the shift to renewable energy is increasingly critical for achieving carbon neutrality, we have set a target of reaching a 100% adoption rate by FY2040. We will advance the introduction of renewable energy in an efficient and sustainable manner toward the achievement of our targets.

As part of our response to climate change, we are also working to reduce Scope 3 emissions. We are expanding the use of actual emissions data from suppliers while advancing a shift to emissions data that reflects our reduction efforts. In conjunction with those efforts, we place great importance on collaboration across the entire supply chain and are holding briefing sessions and providing support to help suppliers understand the importance of decarbonization and to enlist their cooperation in initiatives. Although these are steady, incremental efforts, they will lay a crucial foundation for achieving our Scope 3 emission reduction targets, and I would like to place great importance on a stance that involves moving forward in collaboration with our suppliers.

Initiatives Geared Toward Resource Circulation

At the same time, the effective use and circulation of resources are also important themes. In our business activities, we focus on the efficient use of resources, such as by reducing waste and our water usage. For example, under the Medium-Term Management Plan 2025 we achieved a significant 16.9%*2 reduction in water usage compared with FY2020. We have also begun initiatives to promote resource circulation, including chemical recycling in collaboration with external partners. We will advance steady efforts on an ongoing basis.

To Our Stakeholders

Continuing to take on the challenge of achieving both carbon neutrality and business growth, the TAIYO YUDEN Group will disclose information regarding the progress made and activities conducted toward these targets. Moving forward together with our stakeholders as partners in realizing a decarbonized society, we will advance our efforts in the spirit of co-creation.

*1 Renewable energy procurement
*2 Basic unit

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value
Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety
Achievements, Evaluations, and
Corporate Data

Basic Policy

TAIYO YUDEN aims to be a corporate group that fulfills its corporate social responsibility and continues to grow sustainably for generations to come. We recognize that tackling environmental issues represents one of the most important social responsibilities that TAIYO YUDEN must uphold. As such, we are working to reduce our environmental impact from a global perspective based on our Fundamental Principle of the Environment: "To hand over this precious Earth to future generation, environmental burden in every business activity in research, development and design of the product, procurement of parts and materials, manufacture, sales and associated services shall be reduced."

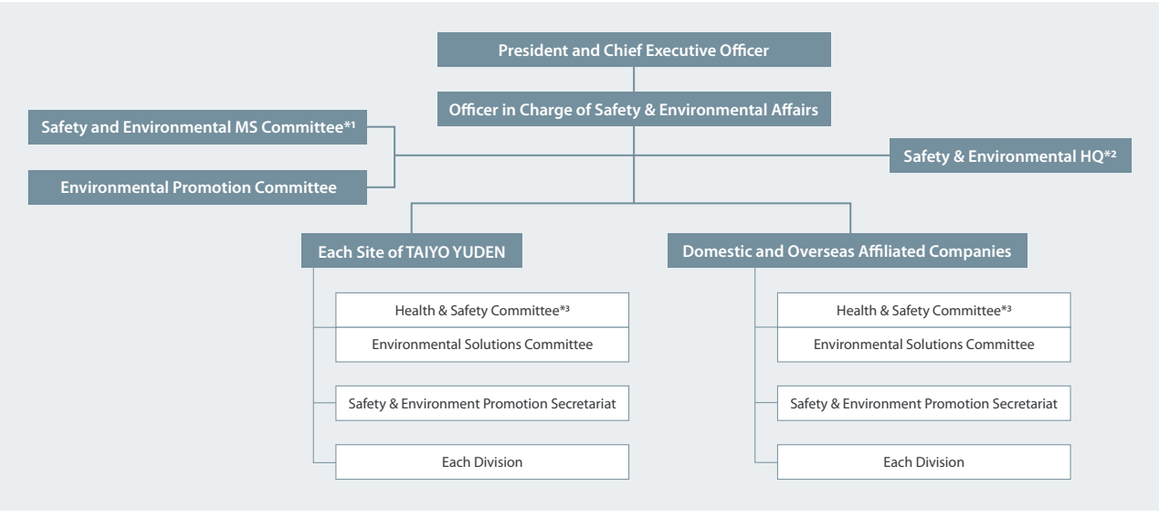
Environmental Policy

Charter / Policy / Environmental (E) / Sustainability

Governance Structure

The officer in charge of safety and environmental affairs, appointed by the President and Chief Executive Officer, is responsible for overseeing the entire TAIYO YUDEN Group, and we have established and operate a framework for promoting the Safety and Environmental Management system (MS).

At their respective meetings, the Safety and Environmental MS Committee and the Environment Promotion Committee discuss and determine policies and issues to be addressed. The managers at each site translate these decisions into specific measures by communicating them, and thoroughly promoting their implementation.



Review of Medium-Term Management Plan 2025

In response to climate change, we aim to reduce GHG emissions by 42% in FY2030 compared to FY2020, and in FY2025 we achieved a 27.6% reduction, making steady progress toward achieving our goal.

Furthermore, with regard to water usage, in FY2025 we targeted a 10% reduction* compared to FY2020. The actual reduction was 16.9%, which exceeded the target. At the same time, regarding the reduction of waste generated, while the FY2025 target was a 10% reduction* compared to FY2020, the actual reduction amounted to 0.9%. Despite yearly improvements, we were unable to realize the benefits of the measures sufficiently and fell short of our target.

Additional details are available in the Safety & Environmental Report.

* Basic unit (production volume)

Safety & Environmental Report

Safety & Environmental Report Available for Download / Sustainability

Results of Efforts to Reduce GHG Emissions

GHG, Energy / Environmental (E) / Sustainability

*1 Decision-making body for the activities of the Safety and Environment Management system. Discusses and decides the activity policies, targets, etc. for the Group as a whole.
*2 Department that promotes the activities of the entire Group.
*3 The Health and Safety Committee elects company and worker representatives.

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value

Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety

Achievements, Evaluations, and Corporate Data

Medium-Term Management Plan 2030

Under the Medium-Term Management Plan 2030, we will aim to enhance corporate value by focusing on economic and social value, and have identified "Strengthen Responses to Climate Change" and "Effective Use of Resources and Contribution to Building a Recycling-Oriented Society" as environmental material issues. In response to the global issue of climate change in particular, we have set the following targets: achieving carbon neutrality (Scope 1 + 2) by FY2050, reducing Scope 1 + 2 and Scope 3 emissions to align with SBT targets by FY2030, and reaching a renewable energy adoption rate of 100% by FY2040.

Regarding Scope 1 + 2 emissions, we are making rigorous efforts to achieve our targets by promoting manufacturing based on the concept of decarbonization and pursuing energy conservation, energy creation, and energy regeneration. We are promoting production process improvements, energy conservation through efficiency improvements for production and infrastructure equipment, and the generation of energy through solar panel installation. At the same time, we are expanding procurement of renewable energy and working to secure long-term, stable procurement of renewable energy with additionality through corporate power purchase agreements (PPAs)*.

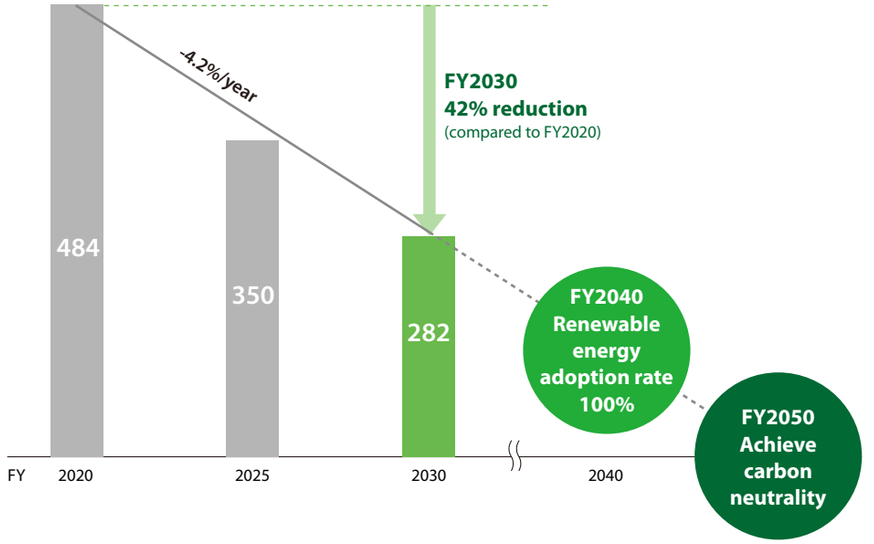
Regarding Scope 3 emissions, we position as a priority issue the reduction of Category 1 emissions, which account for approximately 70% of total Scope 3 emissions, and are strengthening collaboration with suppliers. For suppliers, we hold decarbonization briefings, regularly conduct interviews on the status of their initiatives, and provide support for calculating GHG emissions.

* A system enabling companies to procure renewable energy and environmental credits through long-term contracts with power producers and other entities.

	FY2025 Results	Targets
Renewable energy adoption rate	33.2%	**by FY2040 100%**
GHG Scope 1 + 2 emissions (compared to FY2020)	**27.6% reduction**	**by FY2030 42% reduction**
GHG **Scope 3 emissions*** (compared to FY2021)	**14.3% increase**	**by FY2030 25% reduction**

* Applicable to Categories 1 and 3

Scope 1 + 2 Emissions
[x10³t-CO2e]



At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value
Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety
Achievements, Evaluations, and Corporate Data

Response to the TCFD Recommendations

TAIYO YUDEN Group conducts scenario analyses on the risks and opportunities that climate change issues pose to society and our business, and formulates business strategies based on the results of these analyses.

Furthermore, recognizing the importance of disclosing climate-related financial information, we are expanding our disclosures in accordance with the TCFD recommendations.

Climate Change Initiatives

Efforts to Address Climate Change / Environmental (E) / Sustainability

Item		Response status
Governance	Governance structure	The Environmental Promotion Committee works toward achieving quantitative targets for addressing climate change issues and monitors performance against those targets. If a target has not been met or is at risk of not being met, the committee analyzes the causes, considers additional measures for improvement, and directs the necessary corrective actions.
	Supervisory and reporting structure	Matters deliberated and decided upon by the Environmental Promotion Committee are reported to the Sustainability Committee, which is its superior committee. The Sustainability Committee, chaired by the President and Chief Executive Officer, meets four times a year, shares information on materiality-related issues, deliberates on measures to address those issues, and reports deliberation results to the Board of Directors.
Strategy	Identification of risks and opportunities	Based on climate change scenarios provided by the IEA, the IPCC, and other sources, we identify and assess climate-related risks and opportunities in our business operations. **Transition risks** • Introducing and raising carbon prices • Strengthening environment-related regulations **Physical risks** • (Acute) Intensifying extreme wind and flood damages • (Chronic) Long-term change in weather patterns **Opportunities** • Acceleration of the shift to xEVs • Increased demand for high-efficiency products • Improved production efficiency • Promotion of climate change-related measures
	Scenario analysis	For climate change-related risks and opportunities that are identified and organized, we conduct analyses using multiple scenarios on themes evaluated as "highly important risks and opportunities" based on the degree of impact on our business, the relevance to our business strategies, and the degree of stakeholder interest.
Risk Management	Management structure	With the Senior Executive Operating Officer in Charge of Safety & Environmental Affairs serving as the person responsible for risk management, matters are reported to and deliberated by the Internal Control Committee through the Compliance Subcommittee and Risk Management Subcommittee, in accordance with the group management system.
	Identification and evaluation process	Risks and opportunities related to climate change are identified based on an analysis of social conditions, interviews with customers and suppliers, and ESG-related dialogues with investors. The identified items, impact assessments are conducted, taking into account financial implications and relevance to our management strategies.
Indicators and Targets	Renewable energy adoption rate	• Target: 100% by FY2040 • Actual result: 33.2% in FY2025
	Scope 1 + 2 emissions	• Target: 42% reduction by FY2030 compared to FY2020 • Actual result: 27.6% reduction in FY2025
	Scope 3 emissions (Category 1, 3)	• Target: 25% reduction by FY2030 compared to FY2021 • Actual result: 14.3% increase in FY2025

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value
Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety
Achievements, Evaluations, and Corporate Data

Human Resources Strategy

Officer's Message



Miyuki Tsunegi
Operating Officer in Charge of Human Resources, General Affairs

Supporting Sustainable Well-Being: The Power of People and Organizations

As a manufacturer of electronic components, TAIYO YUDEN plays a role in the evolution of electronics technology while aiming to contribute to the realization of Sustainable Well-being in society at large. When formulating the Medium-Term Management Plan 2030, this was once again clearly articulated in terms of the value we aim to provide to society. The source of the realization of this vision is HR Well-being, which maximizes the power of people and organizations. Our Human Resources Strategy is a key management priority that supports the enhancement of corporate value, and thus we place great importance on treating that strategy as something to be advanced in an integrated manner with our business strategy.

To date, the Company had been growing by seeing as its strengths its employees' integrity and steadfastness, and their ability to see tasks through with dedication. To achieve further growth amid significant changes in the business environment, we must build upon our existing strengths by having each employee think more autonomously, express their opinions, and create value while engaging with those around them. What is required is not merely individual growth but also the ability to harness that strength at the organizational level and establish it as an organizational practice. As HR Well-being serves as the foundation for this very purpose, we have newly defined an HR Well-being Index to present its status in visual form and have positioned it as a management indicator under the Medium-Term Management Plan 2030.

Presenting Human Resource Capabilities in Visual Form, Creating a Growth Cycle

We are organizing the elements that make up HR Well-being, visualizing the current situation, identifying issues in each division, and implementing initiatives for improvement. Reassessing each initiative, including human resource development, respect for diversity, and health management, as being interrelated, we will link them to employee engagement, a sense of growth, and increased productivity, which will ultimately lead to enhanced corporate value.

In the case of human resource development, we place emphasis on the early development of young employees into fully productive professionals and cultivating the next generation of leaders. We designate the first few years after joining the Company as an intensive development period, during which we cultivate personnel capable of delivering results in their respective workplaces, and subsequently develop them into individuals capable of leading the organization with a broader perspective. With regard to candidates for future executive positions, we will also manage the selection, development, and placement processes as an integrated flow centered on succession planning, thereby increasing both the number and quality of candidates.

As regards respect for diversity, we are addressing the promotion of women's active participation as one of our key priorities. Together with actively recruiting, developing, and promoting women, we are striving to provide childcare support, establish systems that enable employees to change job functions or roles, enable flexible working styles, encourage changes in mindset, and develop a supportive corporate culture. Through these initiatives, we will build a virtuous cycle to generate value while engaging with those around them by creating environments in which diverse talents can confidently take on challenges and grow.

From the perspective of health and productivity management, we are positioning the safeguarding of employees' physical and mental health as the foundation for sustainable growth. Not merely a matter for the individual, health is a crucial factor that underpins corporate competitiveness. By advancing initiatives designed to improve lifestyle habits and reduce presenteeism*, we will foster an environment in which employees can work with vitality, thereby boosting the vitality of the entire organization.

* The condition by which an employee is present at work but their productivity is reduced due to health issues.

Communicating Results as a Value Creation Story

We will continue to communicate the results of these initiatives in a clear and easily understood manner. We will actively communicate how the enhancement of HR Well-being contributes to the growth of our people, the revitalization of our organization, and the creation of economic and social value.

TAIYO YUDEN will continue to enhance the power of its people and organizations, aiming to remain a company that contributes to society and where employees can work with pride, take on challenges, and experience growth.

That is why we are convinced that this will be the driving force behind the Company's sustainable growth and the enhancement of its corporate value.

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value

Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety

Achievements, Evaluations, and Corporate Data

Basic Policy

The Group espouses "employee well-being" as one of its management principles and regards human capital as the source of corporate value creation.

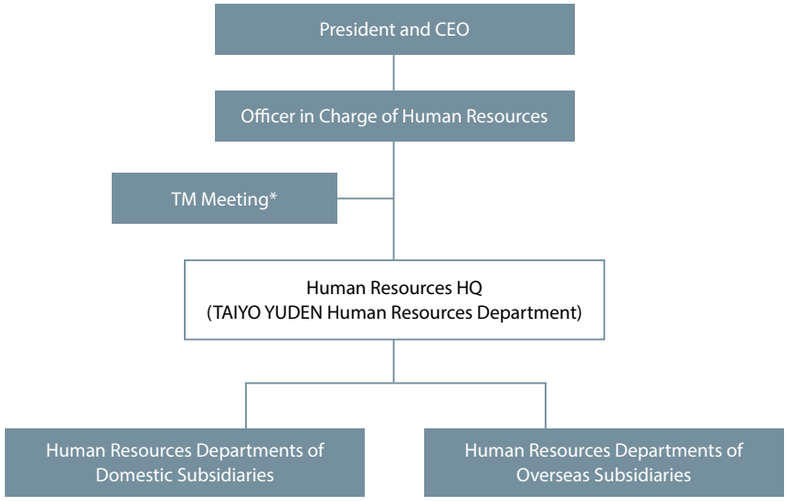
As set forth in our business strategy, to realize the continuous creation of high-value-added products, establish a global supply system, and rapidly respond to technological innovation, it is essential we secure and develop the human resources who support these efforts and enable them to perform to their full potential, and we recognize that promoting human resources strategy in conjunction with management strategy is an important management issue.

Human Resources Strategy

Human Resources Strategy / Social (S) / Sustainability

Governance Structure

Initiatives related to human capital are overseen by the Executive Officer in charge of Human Resources, with the Human Resources Department responsible for formulating strategies and policies and implementing measures. We also regularly monitor the progress of various indicators and measures, and report the details to the TM Meeting and Board of Directors.



*TM Meeting: Abbreviation of Top Management Meeting, which is a meeting body to discuss matters concerning personnel and organization

Review of Medium-Term Management Plan 2025

Under the Medium-Term Management Plan 2025, we set indicators related to work engagement and diversity as key indicators related to human capital, continuously monitored them, and implemented measures aimed at their improvement.

Regarding work engagement, we set a target value of 2.5 or higher as an indicator of pride and a sense of fulfillment from their work, made efforts to create workplace environments where employees can maximize their capabilities, and promoted advances in human resource development measures. Despite various efforts, including measures to improve the working environment through management training for managers and supervisors, the FY2025 work engagement score was 2.28, falling short of the target.

In pursuit of diversity, we have been working toward the target of ensuring that at least 30% of new graduates hired are women, and that the proportion of women in management positions reaches 10% or higher by FY2030. For the Group to grow sustainably, we believe it essential that a diverse group of people with various differences in nationality, culture, gender, generation, length of service, and other attributes interact with and stimulate each other, thereby creating new value. To this end, we foster an environment in which everyone can play an active role by formulating and implementing an action plan to promote the advancement of women. As a result, as of April 1, 2026, the ratio of female new graduate hires was 30.8%, achieving the target, while the ratio of women in management positions was 7.7%, demonstrating steady progress.

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value

Initiatives for Enhancing Corporate Value
Social Value

40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety

Achievements, Evaluations, and Corporate Data

Medium-Term Management Plan 2030

Under the Medium-Term Management Plan 2030, we aim to realize "Sustainable Well-Being" across all business activities, and we are working to improve productivity and sustainably enhance corporate value by promoting the well-being of our employees and the organization as a whole. We identified the realization of HR Well-being, the acceleration of human resource development, respect for diversity, and health and productivity management as key priorities, and established indicators and targets in an effort to make improvements in each of these areas.

Indicators and Targets

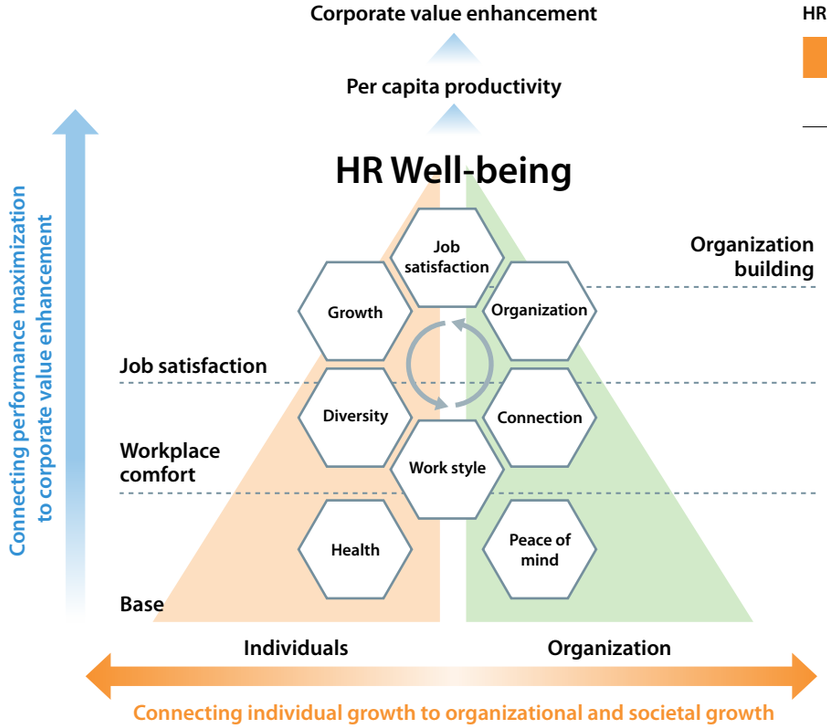
Key themes	Indicators	FY2030 (targets)
Realize HR well-being	HR Well-being Index	Improve 10% or higher
Accelerating human resource development	Training expenses	Peer benchmark level
Respect for Diversity	Female manager ratio	10% or higher
	Employment rate of persons with disabilities*1	Above legal employment rate*2
	Female hires ratio	30% or higher*2
	Ratio of men taking parental leave	85% or higher
Health-Oriented Management	Subjective vitality index	80% or higher

*1 TAIYO YUDEN CO., LTD., and domestic Group companies
*2 Target values to be continuously achieved each fiscal year during Medium-Term Management Plan 2030

HR Well-Being

TAIYO YUDEN views the growth of its people and organization as the foundation for enhancing corporate value, and positions the realization of "Human Resources (HR) Well-being" at the core of its human resources strategy.

The HR Well-being concept involves each employee fully demonstrating their capabilities and motivation, as well as the establishment of an organizational environment that supports this. Based on factors such as peace of mind, health, work style, diversity, growth, job satisfaction, and organizational culture, we established our own "HR Well-being Index" as a metric to quantitatively assess these areas. We position this index as a key management indicator and, through ongoing monitoring and improvement initiatives, are working to cultivate an organizational culture that contributes to enhancing both workplace comfort and job satisfaction.



HR Well-Being Index

Target
Improve 10% or higher

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value
Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety
Achievements, Evaluations, and Corporate Data

Accelerating Human Resource Development

With the aim of establishing a human resource base that supports sustainable growth, we are making efforts to advance human resource development through systematic training, assignments, and promotions.

Specifically, we are promoting succession management, conducting recruitment and placement based on our human resource portfolio, systematically developing managers and next-generation leaders, and optimizing development initiatives based on assessment results. Through these efforts, we are promoting skills development tailored to each role, ranging from future business leaders to highly specialized professionals.

Developing Future Leaders

At TAIYO YUDEN, in order to achieve the Medium-Term Management Plan 2030, we are systematically strengthening our pipeline of management talent in anticipation of changes in the future scale of our businesses and business portfolio.

Specifically, we use succession plans as a starting point to clarify the roles and capabilities required of future executive candidates, and promote the integrated management of evaluations, development, and placements.

Additionally, through selective leadership training programs for next-generation leaders, practical problem-solving exercises, and efforts to strengthen communication and strategic thinking skills, we are developing diverse leadership capabilities that extend beyond managerial positions. When selecting candidates, we also comprehensively review evaluation results, assessments, and expected roles to identify the qualities necessary for future executives.

Through these initiatives, we aim to enhance the quality and speed of decision-making in response to changes in the business environment, and continuously develop management talent capable of providing stable support for global business operations.

Employee Training

At TAIYO YUDEN, we view employee training expenses as more than simply training costs—they are an investment in the human capital which will support future competitiveness. In addition to extensive investments in training to date, we are currently strengthening our focus on key employee groups, primarily managers and leaders, to enhance those capabilities that directly contribute to the realization of business strategies.

Specifically, by combining training tailored to key issues, programs for cultivating the next generation, and general education supporting global expansion, we are both improving core competencies across the entire company, and focusing investments on human resources who will drive future growth. We revise training themes and target audiences in response to changes in business strategy and human resource portfolio, and prioritize delivering the necessary learning to essential human resources rather than focusing on the training expense amounts themselves.

Through these initiatives, we aim to translate the enhancement of individual employee capabilities into higher organizational productivity, the development of future leaders, and ultimately the enhancement of corporate value over the medium to long term.



Manufacturing personnel training

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

	FY2022	FY2023	FY2024	FY2025
Total training expenses (Unit: 1,000 yen)	230,026	258,541	294,011	205,778
Training expenses per employee (Unit: yen)	79,237	90,621	100,414	73,440

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value

Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety

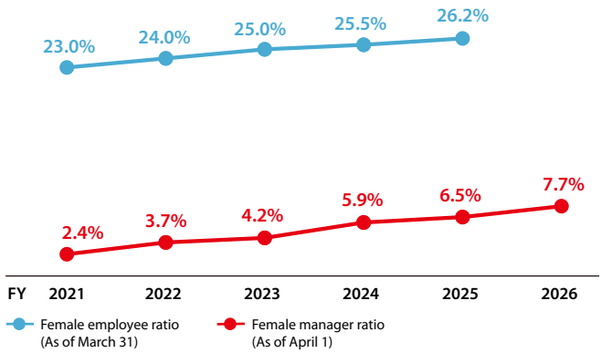
Achievements, Evaluations, and Corporate Data

Respect for Diversity

At TAIYO YUDEN, we believe that the promotion of diversity that leverages individuality is a source of corporate competitiveness, and we aim to improve human resource and organizational capabilities by cultivating a mindset and establishing an environment that enables diverse human resources to play active roles, and implementing human resource development measures.

In terms of specific initiatives, we are conducting various training programs, while also making efforts to promote information sharing and networking through articles in Group newsletters and employee networking events. We also actively dispatch employees to external training programs.

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



Indicators

To realize diversity, we have set targets to be achieved by FY2030 for the female manager ratio, the employment rate of persons with disabilities, the female hiring ratio, and the ratio of male employees taking parental leave.

Regarding the ratio of women in management positions, we are working to create a supportive environment by formulating and implementing action plans to promote the active participation of women, with the goal of increasing the ratio to 10% or higher in FY2030.

To enable motivated employees to advance further in their careers, we are enhancing systems, including the establishment of a career transition program enabling employees in clerical positions to transfer to general positions.

Regarding the employment of persons with disabilities, we are implementing measures including support for retention after employment, and will maintain an employment level that exceeds the legal employment rate.

The female hiring ratio is an indicator established with the aim of increasing employee diversity. We aim to maintain a female hiring ratio of at least 30% among new graduate hires, and are focusing on securing exceptional human resources.

We also recognize that encouraging both men and women to take parental leave is essential for promoting diversity, and we have established a parental leave system that exceeds legal requirements. To deepen understanding between employees who are expecting a child and their supervisors, we distribute guidebooks on balancing careers and childcare to both and conduct awareness-raising and educational activities using e-learning and other methods. We aim to increase the ratio of men taking parental leave to 85% by FY2030.

Detailed data is provided below.

Diversity

Diversity / Social (S) / Sustainability

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value

Initiatives for Enhancing Corporate Value
Social Value

40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety

Achievements, Evaluations, and Corporate Data

Column

Promoting Women's Empowerment Through Cross-Industry Co-Creation

For the four years from FY2022 to FY2025, TAIYO YUDEN participated in Women's Summit Tokyo (WST), a cross-industry exchange program. WST brings together companies in the Greater Tokyo Area that are proactively engaged in promoting of women's participation, regardless of industry, and offers a program in which mid-career female employees expected to become next-generation leaders learn about business leadership.

In FY2025, the Gunma Prefecture Manufacturing Cross-Industry Co-Creation Project, an initiative focused on advancing women's participation and career development in the manufacturing industry, was launched to develop the leadership skills of female employees in the Research and Development Laboratory and business divisions. TAIYO YUDEN has participated in the project since the planning and proposal stage.

In this project, we develop activities starting with a presentation on Diversity, Equity, and Inclusion (DE&I) at the kickoff seminar and a panel discussion featuring members of senior management from the participating companies. Additionally, through seminars promoting women's participation in the workforce and work style reforms, factory tours at participating companies, and the exchange of views, we will share and analyze the challenges faced by each company, leading to the development and implementation of concrete improvement measures. In addition to fostering the leadership skills of each participant, we aim to build a network that transcends corporate boundaries and promote collaboration to advance local industry and resolve local challenges. Through these efforts, we will contribute to enabling the manufacturing sector to demonstrate leadership in local communities.



Health-Oriented Management

TAIYO YUDEN defines HR Well-being as a state in which the growth of employees—the source of corporate value—and the growth of the organization mutually reinforce one another. By creating an environment where each and every employee can perform to the best of their ability, we aim to improve productivity and sustainably enhance corporate value.

To achieve HR Well-being, we consider maximizing employee potential to be a key theme. By monitoring the "subjective vitality index*," we are able to visualize whether employees are able to perform at their best while maintaining good physical and mental well-being.

Regarding "Focus 5," established as a lifestyle habits indicator, we continuously monitor performance and quantitatively assess progress of related initiatives. These initiatives aim to increase the subjective vitality index through changes in employee behavior and improvements in the workplace environment. We use these indicators to verify the effectiveness of initiatives and promote more effective Health-oriented management.

* Calculated from the reciprocal of presenteeism measured during stress checks

Focus 5 Trends

Definition		FY2025 Target (%)	FY2025 Actual (%)
Diet	Ratio of employees with BMI 18.5 or more and less than 25	65.3	64.3 ↓
Non-smoking	Ratio of employees with no smoking habits	83.3	83.6 ↑
Exercise	Ratio of employees with exercise habits	28.7	30.7 ↑
Sleep	Ratio of employees who get sufficient rest through sleep	78.3	60.9 ↑
Stress	Ratio of employees not classified for "High stress"	86.3	85.2 ↑

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

Health-Oriented Management

Health-Oriented Management / Social (S) / Sustainability

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value

Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety

Achievements, Evaluations, and Corporate Data

Human Rights

Basic Policy

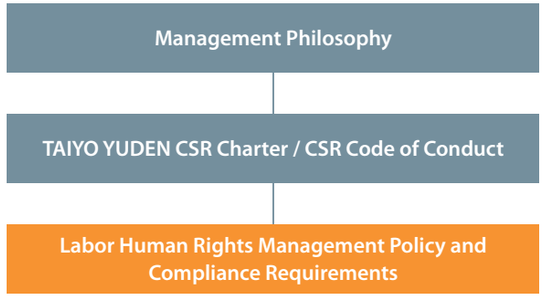
TAIYO YUDEN aims to be a company trusted by society, TAIYO YUDEN supports and respects all laws and regulations concerning labor and human rights, as well as international norms such as the UN Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the RBA Code of Conduct.

In addition to establishing the TAIYO YUDEN Group CSR Charter and Code of Conduct, we have developed and currently operate a labor and human rights management system to ensure respect for human rights and the implementation of appropriate labor practices. In accordance with our Labor Human Rights Management Policy and Compliance Requirements, we strive to achieve continuous improvements at each site through the PDCA cycle. Furthermore, we have established and monitor procedures at all sites with greater specificity, such as the detailed Group Labor Rights Management Manual and the Management Standards for Limiting Working Hours to 60 hours per week and Preventing Six Consecutive Working Days.

As part of our risk assessment for human rights, labor, and other areas, we periodically conduct self-assessments on labor and human rights based on the RBA Code of Conduct, and carry out improvements and corrective actions based on feedback.

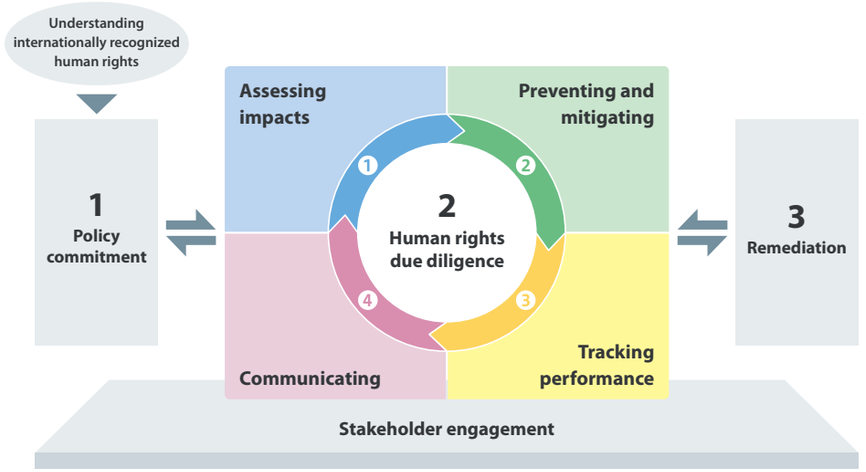
Human Rights and Labor

Human Rights and Labor / Social (S) / Sustainability



Human Rights Due Diligence

TAIYO YUDEN is engaged in formulating human rights policy, conducting human rights due diligence (Identification of adverse effects on human rights, prevention and mitigation of adverse impacts on human rights, tracking the effectiveness of responses, dissemination of information and communicating externally), and establishing a grievance mechanism.



① **Identifying adverse human rights impacts**
We analyze potential human rights risks in our value chain and identify issues that require a response.

② **Preventing and mitigating adverse human rights impacts**
We share identified human rights risks with relevant departments and promote initiatives to prevent and mitigate negative impacts.

③ **Tracking the effectiveness of response**
We conduct self-assessments on labor and human rights based on the RBA Code of Conduct. We implement improvements and corrective actions based on the results of these assessments.

④ **Disseminating information and communicating externally**
We disclose information through our corporate website, integrated reports, and other communication channels.

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value
Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety
Achievements, Evaluations, and Corporate Data

Health and Safety

Review of Medium-Term Management Plan 2025

Based on our Health-Oriented Management, the TAIYO YUDEN Group conducts health and safety activities to pursue a workplace where employees can work with peace of mind. We clarified initiatives for each of the 5Ms (Man, Machine, Method, Material, and Measurement) elements, and are implementing measures to prevent workplace accidents.

Under the Medium-Term Management Plan 2025, we set a target accident frequency rate of less than 0.08, and made steady progress toward that goal through ongoing efforts. However, in FY2025, the frequency rate was 0.10.

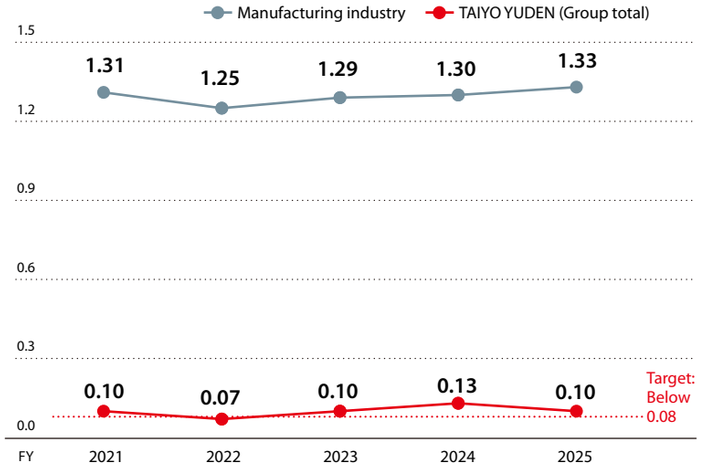
Safety & Environmental Report

Safety & Environmental Report / Sustainability

Health & Safety Activities

Health & Safety Activities / Sustainability

Trends in Accident Frequency Rate



Accident frequency rate = (Number of victims of occupational injury (at least one workday lost) / Total actual number of hours worked by registered workers) × 1,000,000

Medium-Term Management Plan 2030

Under the Medium-Term Management Plan 2030, we have identified realizing Health Management and workplace innovation in a safety-first workplace as one of our materialities. Safety is the top priority for employees and the Company, and we must continue to maintain a record of zero serious workplace accidents—accidents that must never occur. Accordingly, we have set a new goal: zero serious workplace accidents.

To eliminate unsafe conditions and unsafe behaviors, which can lead to occupational accidents, we have clearly defined measures for the next five years to further raise the level of occupational health and safety activity programs for each of the 5M elements: Man, Machine, Method, Material, and Measurement.

Going forward, we will carry out activities in line with this new medium-term occupational health and safety plan, promote specific initiatives to eliminate accidents and reduce serious risks, and build and firmly establish a safety culture.

	FY2025 Results	Target for FY2030
No. of serious occupational accidents	Zero	**Zero**

Promote initiatives aimed at achieving targets	
Man	Fostering awareness of proactive safety behavior
Machine	Bringing equipment safety activities up to ISO and IEC* standards
Method	Promote safe operations based on risk predictions
Material	Minimization of toxicity and danger of chemical substances
Measurement	Enhancing the level of verification

* International standardization organization that develops international standards

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value
Initiatives for Enhancing Corporate Value
Social Value
40 Sustainability
41 Corporate Governance
48 Executives
50 Outside Directors in Conversation
54 Risk Management and Compliance
57 Information Security Policy
58 Supply Chain Management
60 Quality Assurance Activity
62 Environmental Initiatives
66 Human Resources Strategy
72 Human Rights
73 Health and Safety
Achievements, Evaluations, and Corporate Data

Stakeholder Communication/Engagement

TAIYO YUDEN aspires to be trusted by all stakeholders. We work on increasing our disclosures and transparency and harnessing stakeholders' opinions learned through dialogue with them to inform our business activities, thereby increasing our corporate value.

Stakeholders	Objectives & Policy on Communication	Methods of Communication	Examples
Employees	With workplace safety as our top priority, we aim to create a work environment where every employee can enhance their value and fully demonstrate their abilities. We monitor KPIs associated with priority themes and maintain ongoing dialogues with employees through opportunities to exchange opinions and internal consultation services to ascertain workplace conditions and challenges. The knowledge gained is reflected in various measures, leading to the creation of a dynamic organization.	■ Employee surveys (Stress checks, health & safety awareness surveys, etc.) ■ Discussions with labor union ■ Training sessions for employees ■ Career counseling service	■ HR Well-being Index Survey We regularly conduct quantitative surveys to ascertain the level of working conditions and sense of fulfillment that employees experience at work. Based on analyses of these results, we develop and implement initiatives aimed at improving survey scores.
Local Community	As stated in the management philosophy, TAIYO YUDEN aims for the betterment of local communities, and desires to progress together. We provide factory tours for the people of local communities to promote understanding on TAIYO YUDEN. We also strive to build trust through social contribution activities including sports and volunteer activities.	■ Factory tours ■ Dispatch lecturers to manufacturing classes, participate in manufacturing-related events ■ Participate in and sponsor local activities and charity events ■ Volunteer activities such as forest maintenance, afforestation, and cleaning ■ Softball classes by women's softball team	■ Manufacturing classes We provide manufacturing classes for children at the Shin-Kawasaki Center SOLairoLab and elsewhere.
Shareholders and Investors	We work to provide better understanding of our management policies and business activities through timely and appropriate information disclosure and dialogue. Opinions obtained through dialogue are reported as feedback to management, including the Board of Directors, on a regular basis and are utilized to improve management.	■ General Meeting of Shareholders ■ Announcement of Financial Results ■ IR, SR interviews	■ IR and SR interviews TAIYO YUDEN's management and its IR and ESG staff interview our investors to discuss matters both financial and non-financial. We have incorporated investor feedback to improve and expand our ESG-related information disclosures.
Customers	Through communication from the product design stage, manufacturing base audits, and scorecards, we meet the needs and required standards of customers. We participate in Japanese and international trade shows to introduce TAIYO YUDEN's products and solutions to the wide public including potential customers, and work to create new value.	■ Day-to-day sales activities ■ Customer satisfaction survey ■ Review and audit by customers ■ Exhibitions, seminars ■ Technological exchange sessions	■ Customer reviews and audits We participate in CSR surveys and audits upon customer request.
Suppliers	Suppliers are important partners in the business of TAIYO YUDEN. We hold procurement policy briefings to share TAIYO YUDEN's management and business policies, and ask suppliers to cooperate with the CSR assessment and audit using check sheets that are formulated based on the RBA Code of Conduct. Through this, we are working together to build a supply chain that will fulfill our corporate social responsibilities.	■ Suppliers Seminars ■ Audit to suppliers (CSR audits)	■ Supplier policy briefings Every year, we hold briefings for our suppliers to share TAIYO YUDEN's management and business policies and the latest developments in our ESG initiatives. Through these briefings, we support our suppliers in promoting ESG-focused business activities.

Investor Communications (FY2025 Results)

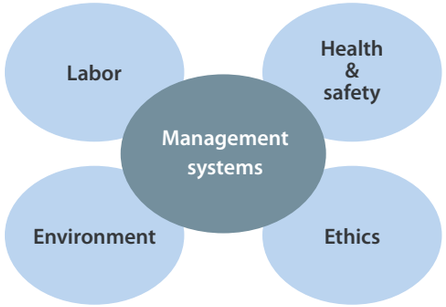
Activities	Frequency	Description
Financial results briefings	4 times	Provided to securities analysts and institutional investors every quarter. The Operating Officer or the IR Officer provides financial results and other information.
IR interviews	317 interviews	Hold individual interviews in-person or online with securities analysts and institutional investors based inside and outside Japan.
SR interviews	7 interviews	Hold individual interviews mainly with those with shareholder voting rights.
Overseas roadshows	2 times	President and CEO and the IR team visit institutional investors outside Japan to hold individual meetings.

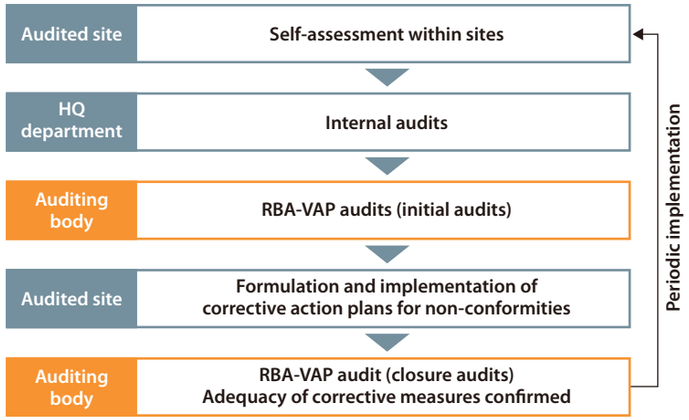
At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value Economic Value
Initiatives for Enhancing Corporate Value Social Value
Achievements, Evaluations, and Corporate Data
74 Stakeholder Communication/ Engagement
75 Sustainability Evaluation (RBA-VAP Audit)
76 11-Year Financial and Non-Financial Summary
77 Corporate Data
78 Stock Information
79 External Evaluation

Sustainability Evaluation (RBA-VAP Audit)

The TAIYO YUDEN Group respects and adheres to the Responsible Business Alliance (RBA) Code of Conduct, an international standard for corporate social responsibility. To reinforce our initiatives in areas such as labor, health and safety, the environment, and ethics, we voluntarily undergo the RBA-VAP audit, a third-party evaluation, at our production sites in five countries, including Japan.

At each audited site, RBA-VAP audits are conducted following self-assessments and internal audits. For issues identified through this process, corrective action plans are formulated and implemented, and HQ departments share the details across the Group to drive improvements. By periodically repeating this cycle, we aim to continuously raise standards across the entire TAIYO YUDEN Group.





Audit Sites

- **TAIYO YUDEN CO., LTD.**
  Haruna Plant / Nakanojo Plant / Tamamura Plant / Yawatabara Plant
- **Consolidated Subsidiaries**
  TAIYO YUDEN CHEMICAL TECHNOLOGY CO., LTD.
  FUKUSHIMA TAIYO YUDEN CO., LTD.
  NIIGATA TAIYO YUDEN CO., LTD.
  WAKAYAMA TAIYO YUDEN CO., LTD.
  TAIYO YUDEN Mobile Technology Co., Ltd.
  ELNA CO., LTD. (Shirakawa Factory / Aomori Factory)
  KOREA KYONG NAM TAIYO YUDEN CO., LTD.
  TAIYO YUDEN (CHANGZHOU) CO., LTD.
  TAIYO YUDEN (GUANGDONG) CO., LTD.
  TAIYO YUDEN (PHILIPPINES), INC.
  TAIYO YUDEN (SARAWAK) SDN. BHD.

Certification and Evaluation

Based on the results of the RBA-VAP audit, certifications are awarded according to scores: Platinum (out of 200 points, the maximum rank), Gold (180 points or more), and Silver (160 points or more).

In FY2025, TAIYO YUDEN's Haruna Plant and Tamamura Plant, TAIYO YUDEN CHEMICAL TECHNOLOGY, and the ELNA Shirakawa Factory earned the Gold certification in their initial audits. Other sites where non-conformity issues were identified implemented corrective audits, which resulted in all sites that underwent said audits obtaining the highest-rated Platinum certification.

RBA-VAP Audit

External Evaluation, 3rd Party Evaluation / Sustainability

Gold Certification in Initial Audit:
TAIYO YUDEN Haruna Plant


Responsible Business Alliance
Recognition that
TAIYO YUDEN CO.LTD.-HARUNA FACTORY-
Completed the RBA Validated Audit Process, achieving GOLD Status without any Priority or Major findings, earning a score of 196.6

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value Economic Value
Initiatives for Enhancing Corporate Value Social Value
Achievements, Evaluations, and Corporate Data
74 Stakeholder Communication/ Engagement
75 Sustainability Evaluation (RBA-VAP Audit)
76 11-Year Financial and Non-Financial Summary
77 Corporate Data
78 Stock Information
79 External Evaluation

11-Year Financial and Non-Financial Summary

TAIYO YUDEN CO., LTD. and Subsidiaries
Years Ended March 31 and as of March 31

(Millions of yen)

FY	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business results											
Net sales	240,385	230,716	244,117	274,349	282,329	300,920	349,636	319,504	322,647	341,438	**355,341**
Operating profit	23,370	12,385	20,221	35,237	37,176	40,766	68,218	31,980	9,079	10,459	**19,996**
Ordinary profit	22,263	11,200	20,553	34,351	35,165	41,247	72,191	34,832	13,757	10,517	**24,129**
Profit attributable to owners of parent	14,751	5,428	16,355	23,687	18,022	28,615	54,361	23,216	8,317	2,328	**14,806**
Total assets	268,380	271,149	287,170	328,861	343,122	404,642	474,522	503,462	579,686	573,188	**615,536**
Net assets	153,381	154,150	170,118	205,953	210,454	243,941	300,286	318,478	330,098	319,171	**344,412**
Cash flows from operating activities	38,278	29,692	33,944	42,967	52,434	52,882	67,315	39,460	51,104	33,941	**58,117**
Cash flows from investing activities	(35,374)	(28,806)	(26,918)	(33,581)	(40,874)	(42,218)	(50,622)	(60,438)	(82,793)	(63,527)	**(25,695)**
Free cash flow	2,904	887	7,026	9,386	11,560	10,664	16,693	(20,978)	(31,689)	(29,586)	**32,422**
Cash flows from financing activities	(2,050)	(4,342)	953	(1,603)	(4,851)	12,604	(14,711)	14,485	37,647	3,048	**(6,828)**
Cash and cash equivalents at end of period	39,944	36,094	43,837	51,654	57,285	81,785	88,609	84,124	94,940	67,543	**98,073**
R&D expenses	9,024	10,008	10,574	13,039	12,921	12,550	13,099	12,678	13,696	15,042	**14,474**
Capital investment	41,261	33,161	24,549	38,570	39,365	49,699	34,023	50,489	92,201	64,158	**40,416**
Depreciation and amortization	23,767	24,908	25,589	26,547	27,022	29,256	31,287	34,903	39,391	46,258	**49,148**

(Yen)

Per share data											
Net assets per share	1,299.75	1,305.96	1,440.79	1,609.72	1,672.40	1,937.86	2,403.20	2,548.15	2,640.98	2,552.94	**2,754.19**
Basic earnings per share	125.27	46.08	138.80	189.93	143.04	227.99	433.46	186.32	66.75	18.67	**118.49**
Diluted earnings per share	115.54	42.43	127.88	185.87	142.67	227.32	432.19	185.71	63.49	16.13	**107.55**
Cash dividends per share	15.00	20.00	20.00	21.00	26.00	40.00	80.00	90.00	90.00	90.00	**90.00**

(%)

Financial indicators											
Equity ratio	57.1	56.8	59.1	62.5	61.2	60.1	63.1	63.1	56.8	55.6	**56.0**
Return on equity (ROE)	9.7	3.5	10.1	12.6	8.7	12.6	20.0	7.5	2.6	0.7	**4.5**
Return on assets (ROA)	8.3	4.2	7.4	11.2	10.5	11.0	16.4	7.1	2.5	1.8	**4.1**
Return on invested capital (ROIC)	7.2	2.6	7.6	9.8	6.8	9.8	15.7	5.9	1.9	0.5	**3.0**

Non-financial indicators											
Number of employees [consolidated]	18,810	18,753	19,011	21,300	21,723	22,852	22,312	21,819	21,823	20,779	**20,604**
Number of employees [non-consolidated]	2,618	2,586	2,590	2,681	2,785	2,837	2,873	2,903	2,853	2,928	**2,803**
Greenhouse gas emissions (10^3t-CO_2e)	424	422	432	430	432	484	459	396	419	383	**350**
Incidence rate of injuries and illness	0.030	0.035	0.028	0.015	0.008	0.015	0.021	0.015	0.020	0.027	**0.020**
Accident frequency rate	0.15	0.18	0.14	0.08	0.04	0.08	0.10	0.07	0.10	0.13	**0.10**
Female manager ratio	—	1.1	1.4	1.8	2.5	2.4	3.7	4.2	5.9	6.5	**7.7**

Note: ROE = Profit attributable to owners of parent/Shareholders' equity (yearly average) x 100
ROA = Ordinary profit /Total assets (yearly average) x 100
Some figures have been retroactively revised due to changes in the calculation method for GHG emissions and waste amounts from FY2020 onward
Accident frequency rate = Number of the victims of occupational injury (at least one workday lost) / Total actual number of hours worked by registered workers x 1,000,000
Female manager ratio: Figures as of April 1 of the following year

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value
Economic Value
Initiatives for Enhancing Corporate Value
Social Value

Achievements, Evaluations, and Corporate Data

74 Stakeholder Communication/ Engagement
75 Sustainability Evaluation (RBA-VAP Audit)
76 11-Year Financial and Non-Financial Summary
77 Corporate Data
78 Stock Information
79 External Evaluation

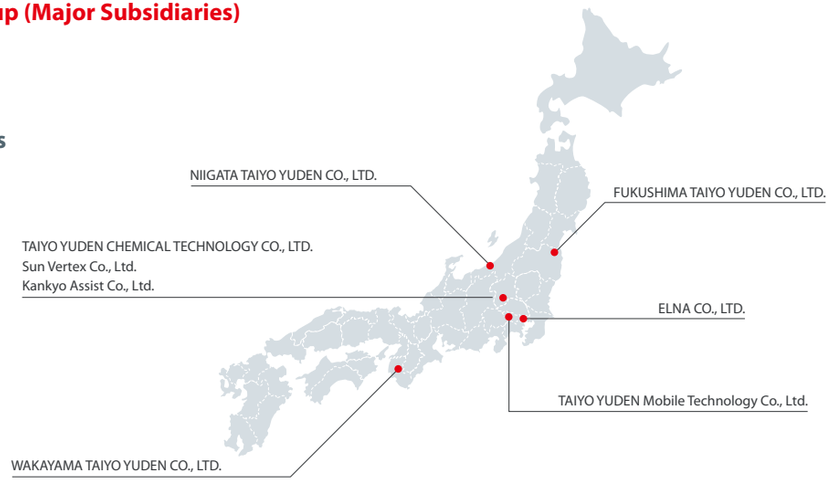
Corporate Data (As of October 1, 2026)

Corporate name	TAIYO YUDEN CO., LTD.
Head office	2-7-19, Kyobashi, Chuo-ku, Tokyo 104-0031, Japan
Tel	+81-3-6757-8310
Representative Director	President and CEO Katsuya Sase
Date of establishment	March 23, 1950
Capital	¥33,575 million (as of March 31, 2026)
Number of employees	20,604 (Consolidated) 2,803 (Non-consolidated) (as of March 31, 2026)
Main products	Multilayer ceramic capacitors Inductors Aluminum electrolytic capacitors Communication devices Circuit modules
Website	https://www.yuden.co.jp/en/

TAIYO YUDEN Group (Major Subsidiaries)

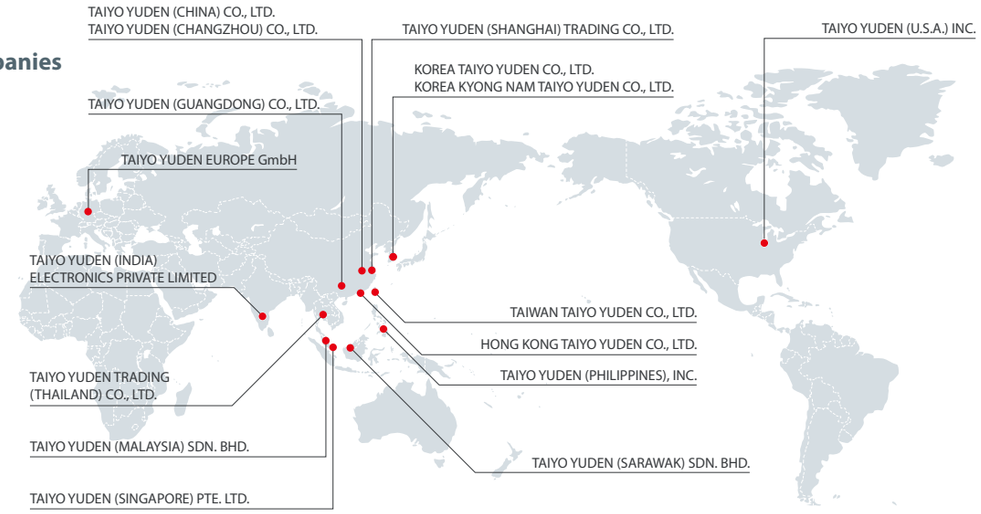
Japan

8 companies



Overseas

16 companies



At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value Economic Value
Initiatives for Enhancing Corporate Value Social Value

Achievements, Evaluations, and Corporate Data

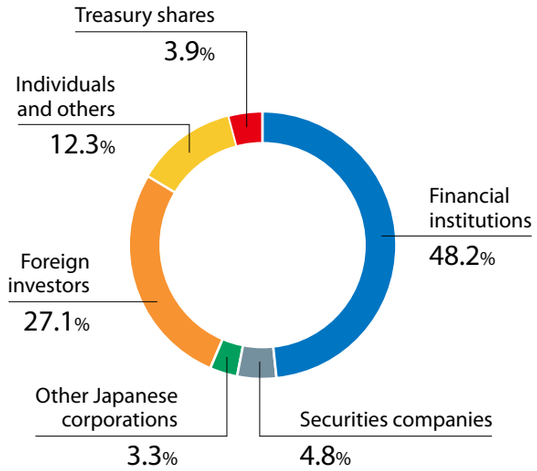
74 Stakeholder Communication/ Engagement
75 Sustainability Evaluation (RBA-VAP Audit)
76 11-Year Financial and Non-Financial Summary
77 Corporate Data
78 Stock Information
79 External Evaluation

Stock Information (As of March 31, 2026)

Stock Information

Securities code	6976
Stock exchange	Tokyo Stock Exchange
Share trading units	100 shares
Total number of shares authorized to be issued	300,000,000 shares
Total number of shares issued	130,218,481 shares
Number of shareholders	35,876

Distribution of Shares by Shareholder Type



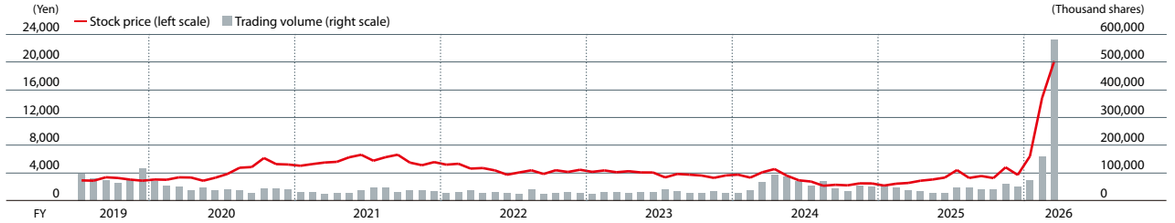
* Figures are rounded down to one decimal place.

Major Shareholders

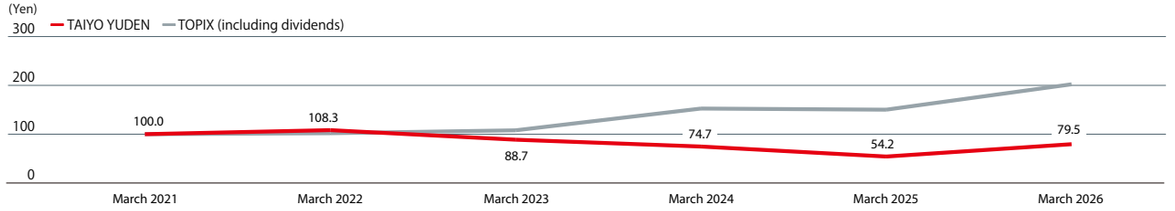
Name	Number of Shares Held (Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	34,073,500	27.2
Custody Bank of Japan, Ltd. (Trust Account)	21,586,700	17.2
STATE STREET BANK AND TRUST COMPANY 505301	4,213,444	3.3
The Iyo Bank, Ltd.	2,000,100	1.5
Sato Fund for Orphans from Traffic Accidents	1,916,640	1.5
STATE STREET BANK AND TRUST COMPANY 505001	1,849,817	1.4
JP MORGAN CHASE BANK 385781	1,812,945	1.4
Barclays Securities Japan Limited	1,770,300	1.4
Nippon Life Insurance Company	1,666,450	1.3
HSBC HONG KONG – TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	1,538,044	1.2

Notes: 1. The Company holds 5,167,907 shares of treasury shares, but these are excluded from the abovementioned major shareholders.
2. Shareholding ratio is calculated excluding the number of treasury shares.
3. Figures are rounded down to one decimal place.

Stock Price/Trading Volume



Total Shareholder Return (TSR)



At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value Economic Value
Initiatives for Enhancing Corporate Value Social Value
Achievements, Evaluations, and Corporate Data
74 Stakeholder Communication/ Engagement
75 Sustainability Evaluation (RBA-VAP Audit)
76 11-Year Financial and Non-Financial Summary
77 Corporate Data
78 Stock Information
79 External Evaluation

External Evaluation (As of September 1, 2026)

Inclusion in the ESG Indices Selected by GPIF

- FTSE JPX Blossom Japan Index
- FTSE JPX Blossom Japan Sector Relative Index
- S&P/JPX Carbon Efficient Index
- MSCI Nihonkabu ESG Select Leaders Index
- MSCI Japan Empowering Women Index (WIN)
- Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)

Inclusion in Other ESG Indices

- FTSE4Good Index Series
- MSCI Japan ESG Select Leaders Index
- SOMPO Sustainability Index

Other Sustainability Evaluations

- Certified as an A List company in the CDP Climate evaluation
- Certified as a Supplier Engagement Leader in the CDP Supplier Engagement Assessment
- Received a Bronze Medal in the EcoVadis Sustainability Ratings
- Selected for the Outstanding Organizations of KENKO Investment for Health (White 500)
- Certified as a Sports Yell Company
- Earned a Three-Star Eruboshi Certification
- Certified as a Platinum Kurumin employer

External Evaluation

External Evaluation, 3rd Party Evaluation / Sustainability

At a Glance
Editorial Policy
Contents
Value Creation Story
Initiatives for Enhancing Corporate Value Economic Value
Initiatives for Enhancing Corporate Value Social Value

Achievements, Evaluations, and Corporate Data

74 Stakeholder Communication/ Engagement
75 Sustainability Evaluation (RBA-VAP Audit)
76 11-Year Financial and Non-Financial Summary
77 Corporate Data
78 Stock Information
79 External Evaluation

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