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.

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.