Quality Assurance Activity

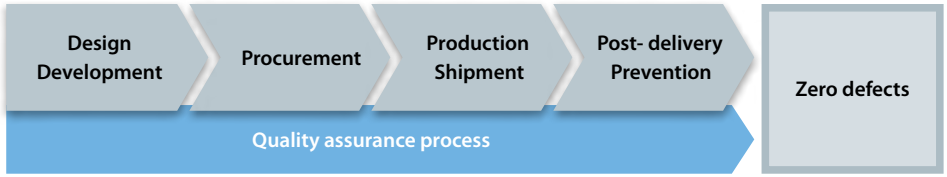
Basic Policy

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

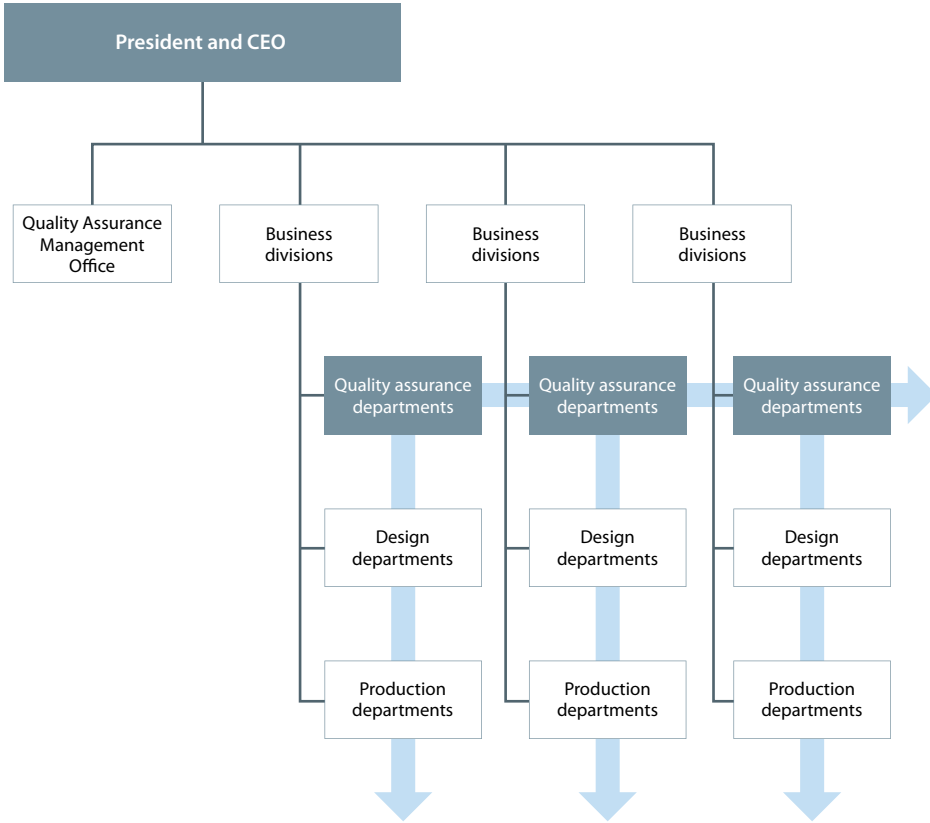


Design and development	By clearly defining quality requirements based on customer needs and applications, and by incorporating risk considerations into the design and verification processes from the development stage onward, we minimize the occurrence of defects after mass production begins.
Procurement	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.



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.