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(Securities Code: 6976)
June 3, 2025

To Those Shareholders with Voting Rights:

Katsuya Sase
Representative Director, President and Chief Executive Officer
TAIYO YUDEN CO., LTD.
2-7-19, Kyobashi, Chuo-Ku, Tokyo, Japan

NOTICE OF CONVOCATION OF THE 84TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially notified of the 84th Ordinary General Meeting of Shareholders of TAIYO YUDEN CO., LTD. (the "Company").

If you are unable to attend the meeting, you may exercise your voting rights via the Internet or in writing (by mail), please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights so that your vote will arrive by **5:00 p.m., June 26, 2025 (Thursday)**.

Date and Time: 2:00 p.m., June 27, 2025 (Friday) (Reception desk opens at 1:30 p.m.)

Place: JP Tower Hall & Conference (KITTE 4th Floor) Hall, 2-7-2 Marunouchi, Chiyoda-ku, Tokyo, Japan

Agenda of the Meeting

Matters to be reported

Details of the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the 84th Fiscal Term (from April 1, 2024, to March 31, 2025), and results of the audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee

Matters to be resolved

Proposal No. 1: Dividends of Surplus

Proposal No. 2: Election of Six (6) Directors (Excluding Directors who are Audit and Supervisory Committee Members)

Proposal No. 3: Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member

Proposal No. 4: Determination of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members and Non-executive Directors including Outside Directors) in relation to the transfer of unexercised share acquisition rights granted as stock compensation-type stock options to restricted stock

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Dividends of Surplus

It is proposed that the year-end dividend for the fiscal year under review be ¥45 per share, in consideration of the basic policy on profit distribution and future business development, as described below. As a result, the annual dividend will be ¥90 per share, including the interim dividend of ¥45.

Year-end dividend

1. Type of dividend property:

   Cash

2. Matters regarding the allocation of dividend property to shareholders and its total amount:

   ¥45 per share (common stock of the Company)

   Total amount: ¥5,612,987,970

3. Effective date for dividends of surplus:

   June 30, 2025

[Reference] Basic Policy on Profit Distribution

The Company has set “Responsibility to provide returns to shareholders” as part of its management philosophy and believes that dividends come first in returning profits to shareholders. The Company seeks to increase corporate value driven by both economic value and social value and has adopted a basic policy of working to steadily increase dividends by increasing profit per share. Previously, the target was to achieve a dividend payout ratio of 30%. However, in order to further clarify the policy of providing stable dividends, the Company has now added a dividend on equity (DOE) ratio of 3.5% as a shareholder return indicator. The Company will return profits through dividends, based on a comprehensive consideration of these indicators, business performance, and maintenance of a sound financial position.

The Company also regards acquiring treasury stock as a way of returning profit to shareholders, which it will carry out with the aim of improving capital efficiency as necessary.

■Trends in dividends, etc.

Business terms	Fiscal 2020 (80th Term)	Fiscal 2021 (81st Term)	Fiscal 2022 (82nd Term)	Fiscal 2023 (83rd Term)	**Fiscal 2024 (84th Term) (current fiscal year)**
Dividend per share (Yen)	40.00	80.00	90.00	90.00	**90.00**
Dividend payout ratio (%)	17.5	18.5	48.3	134.8	**482.1**
Dividend on equity (DOE) (%)	2.1	3.3	3.5	3.4	**3.5**
Total return ratio (%)	17.5	27.6	48.3	134.8	**482.1**

Proposal No. 2: Election of Six (6) Directors (Excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all of the seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this proposal) will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company hereby requests that six (6) Directors be elected.

The content of this proposal had been deliberated at the voluntary Nomination Committee chaired by an Independent Outside Director. Based on the Committee's opinions, this proposal has been made.

In addition, although this proposal was reviewed by the Audit and Supervisory Committee, no opinion that should be expressed was given.

The candidates for Director are as follows:

Candidate No.	Name		Positions and responsibilities at the Company	Attendance at meetings of the Board of Directors	Term of office
1	Katsuya Sase	Reappointment Male	Representative Director, President and Chief Executive Officer	100% (17/17 times)	9 years
2	Tomomitsu Fukuda	Reappointment Male	Director, Executive Operating Officer, In charge of Management Planning Headquarters	100% (17/17 times)	4 years
3	Toshiyuki Watanabe	Reappointment Male	Director and Senior Operating Officer In charge of Sales Headquarters	100% (13/13 times)	1 year
4	Masashi Hiraiwa	Reappointment Outside Independent Male	Outside Director	100% (17/17 times)	9 years
5	Seiichi Koike	Reappointment Outside Independent Male	Outside Director	100% (17/17 times)	7 years
6	Emiko Hamada	Reappointment Outside Independent Female	Outside Director	100% (17/17 times)	6 years

Notes: 1. Positions and responsibilities at the Company are as of the date of this Meeting.

2. Terms of office shown are as of the conclusion of this Meeting.

3. The attendance of meetings of the Board of Directors of Mr. Toshiyuki Watanabe is calculated based on the Board of Directors meetings held after the assumption of office as Director on June 27, 2024.

1 Katsuya Sase

(Date of birth: January 12, 1964)

Attendance at meetings of the Board of Directors	Term of office	Number of Company shares held
100%	9 years	7,633 shares



Career summary, positions and responsibilities at the Company

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)**

Reappointment

Reasons for appointment of candidate for Director

Mr. Katsuya Sase has abundant experience and a good track record through engaging, since joining the Company, in operations in various areas such as the engineering and business divisions and leading the capacitors business, which is the Company's principal business. He has been in charge of the execution of business as Representative Director, President and Chief Executive Officer of the Company since 2023 and is responsible for general management towards the sustainable growth and medium- to long-term enhancement of corporate value of the Group. For these reasons, Mr. Sase was reappointed as a candidate for Director, expected to properly execute such duties as the making of important managerial decisions and supervision of business execution as Director.

2 Tomomitsu Fukuda

(Date of birth: November 26, 1964)

Attendance at meetings of the Board of Directors	Term of office	Number of Company shares held
100%	4 years	4,614 shares



Career summary, positions and responsibilities at the Company

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 2023	**Director and Executive Operating Officer, in charge of Management Planning Headquarters Chief of Management Planning Headquarters of the Company (to the present)**

Reappointment

Reasons for appointment of candidate for Director

Mr. Tomomitsu Fukuda has abundant experience and a good track record through engaging, since joining the Company, in various areas such as corporate management and planning where he led several M&A projects and serving as the head of a regional headquarter subsidiary in Greater China. He presently oversees the management planning division, as Director and Executive Operating Officer and is working on the enhancement of corporate value by developing the Group's management strategies, promoting risk management, and strengthening governance. For these reasons, Mr. Fukuda was reappointed as a candidate for Director, expected to properly execute such duties as the making of important managerial decisions and supervision of business execution as Director.

3 Toshiyuki Watanabe

(Date of birth: April 25, 1962)

Attendance at meetings of the Board of Directors	Term of office	Number of Company shares held
100%	1 year	7,574 shares



Career summary, positions and responsibilities at the Company

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, in charge of Sales Headquarters of the Company**
	Chief of Sales Headquarters of the Company (to the present)

Reappointment

Reasons for appointment of candidate for Director

Since joining the Company, Mr. Toshiyuki Watanabe has served at the Sales Department and has a wealth of experience and a good track record such as from his position in charge of overseas sales offices. He is currently in charge of the Sales Department as a Director and Senior Operating Officer, and has been tasked with the formulation of the Group's sales strategies, as well as working on the enhancement of the marketing and sales promotion functions. For these reasons, Mr. Watanabe was reappointed as a candidate for Director, expected to properly execute such duties as the making of important managerial decisions and supervision of business execution as Director.

4 Masashi Hiraiwa

(Date of birth: December 4, 1952)

Attendance at meetings of the Board of Directors	Term of office	Number of officer positions concurrently held at listed companies	Number of Company shares held
100%	9 years	0	0 shares



Career summary, positions and responsibilities at the Company

April 1981	**Registered as attorney (to the present)**
April 1981	**Joined OHHARA LAW OFFICE (to the present)**
August 2005	Supervisor of LCP, Inc. (retired in March 2013)
October 2012	Supervisor of Japan Logistics Fund, Inc. (retired in May 2015)
June 2016	**Outside Director of the Company (to the present)**
April 2024	**Director of SAZABY LEAGUE, Ltd. (to the present)**

Significant concurrent positions

Attorney of OHHARA LAW OFFICE

Director of SAZABY LEAGUE, Ltd.

Reappointment
Outside
Independent

Reasons for appointment of candidate for Outside Director and expected roles

Mr. Masashi Hiraiwa has served as an officer or in a similar position at investment corporations, possesses abundant experience and high-level expertise as an attorney specializing in corporate legal affairs, and provides proposals for the execution of business as well as managerial supervision based on his experience as Director at other companies. He has demonstrated a high sense of ethics by offering constructive opinions and organizing points of discussion or debate from an objective perspective, and fulfilling the monitoring function over the Company's overall management such as governance and legal compliance including internal control, at meetings of the Company's Board of Directors. For these reasons, it was judged that he would be able to fulfill his duties as Independent Outside Director who supervises business execution. Therefore, he was reappointed as a candidate for Independent Outside Director.

Independence of the candidate

The Company has designated Mr. Masashi Hiraiwa as an independent officer as prescribed by the Tokyo Stock Exchange. If his appointment is approved, we plan to continue his designation as an independent officer.

5	Seiichi Koike (Date of birth: January 3, 1956)	Attendance at meetings of the Board of Directors	Term of office	Number of officer positions concurrently held at listed companies	Number of Company shares held
		100%	7 years	0	0 shares



Reappointment
Outside
Independent

Career summary, positions and responsibilities at the Company

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. (retired in June 2013)
June 2012	Director of Metts Corporation (retired in June 2013)
June 2013	Audit & Supervisory Board Member of Metts Corporation (retired in June 2016)
	Audit & Supervisory Board Member of Honda Foundry Co., Ltd. (retired in June 2017)
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)**

Significant concurrent positions

There is no significant concurrent position.

Reasons for appointment of candidate for Outside Director and expected roles

Mr. Seiichi Koike has engaged in material development for automotive components and research and development related to production technology at an automotive maker over many years, and possesses wide-ranging expertise in relation to the automotive electronics business. In addition, he provides valuable advice and suggestions regarding overall management, such as his wide-ranging expertise from an investor's perspective to be reflected in the management of the Company, utilizing his abundant experience, including corporate management in the automotive components industry and strengthening governance systems as an Audit & Supervisory Board Member. For these reasons, it was judged that he would be able to fulfill his duties as Independent Outside Director who supervises business execution. Therefore, he was reappointed as a candidate for Independent Outside Director.

Independence of the candidate

The Company has designated Mr. Seiichi Koike as an independent officer as prescribed by the Tokyo Stock Exchange. If his appointment is approved, we plan to continue his designation as an independent officer.

6	Emiko Hamada (Date of birth: November 23, 1958)	Attendance at meetings of the Board of Directors	Term of office	Number of officer positions concurrently held at listed companies	Number of Company shares held
		100%	6 years	1	1,000 shares



Reappointment
Outside
Independent

Career summary, positions and responsibilities at the Company

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. (to the present)**
June 2019	**Outside Director of the Company (to the present)**
September 2024	**Trustee, Nagoya City University (to the present)**

Significant concurrent positions

Outside Director of NGK INSULATORS, LTD.

Reasons for appointment of candidate for Outside Director and expected roles

While Ms. Emiko Hamada was employed by the Company, she engaged in the development and commercialization of CD-R and DVD-R. After she left the Company, she conducted research activities for many years as a university professor mainly focusing on industry-academia-government collaboration projects. In addition, she provides suggestions of business execution and management supervision from her experience as an Outside Director at another company. For these reasons, it was judged that she would be able to fulfill her duties as Independent Outside Director who supervises business execution. Therefore, she was reappointed as a candidate for Independent Outside Director.

Although Ms. Hamada has not been involved in corporate management in ways other than being an outside officer, it was judged for the above-mentioned reasons that she would be able to appropriately execute the duties of Outside Director.

Independence of the candidate

The Company has designated Ms. Emiko Hamada as an independent officer as prescribed by the Tokyo Stock Exchange. If her appointment is approved, we plan to continue her designation as an independent officer. Although Ms. Hamada worked for the Company from April 1984 to April 2007 as a business operator, there has been no transaction to be noted between Ms. Hamada and the Company, and no special interests currently exist between her and the Company.

Notes: 1. No special interests exist between the Company and each candidate.

2. Mr. Masashi Hiraiwa, Mr. Seiichi Koike, and Ms. Emiko Hamada are candidates for Outside Director as stipulated in Article 2, paragraph (3), item (vii) of the Regulation for Enforcement of the Companies Act.

3. Mr. Masashi Hiraiwa and Mr. Seiichi Koike do not fall under any of the following facts:

   1) the candidate was a business operator of the Company or any of its subsidiaries in the past; 2) the candidate is currently or was in the past ten (10) years a business operator or an officer of a business concern that has specific relations with the Company; 3) the candidate is going to receive or has received in the past two (2) years a considerable amount of cash and/or other assets from the Company or such business concern; or 4) the candidate is a spouse, a relative within the third (3rd) degree of kinship of a business operator or an officer of the Company or such business concern, or any other equivalent person.

4. Ms. Emiko Hamada does not fall under any of the following facts:

   1) the candidate is currently or was in the past ten (10) years a business operator or an officer of a business concern that has specific relations with the Company; 2) the candidate is going to receive or has received in the past two (2) years a considerable amount of cash and/or other assets from the Company or such business concern; or 3) the

candidate is a spouse, a relative within the third (3rd) degree of kinship of a business operator or an officer of the Company or such business concern, or any other equivalent person.

5. While there are business transactions between NGK INSULATORS, LTD. for which Ms. Emiko Hamada serves as an Outside Director and the Company Group relating to the purchase of ceramic products, etc., as the size of these transactions is less than 0.3% of the Company's consolidated net sales, they are not considered significant enough to have an impact on her independence as an Outside Director.
6. Ms. Emiko Hamada's legal name registered in the family register is Emiko Kato.
7. In accordance with Article 427, paragraph (1) of the Companies Act, an agreement to limit any liability for damages prescribed in the provision of Article 423, paragraph (1) of the said Act is in force between the Company and each Outside Director, and the limit on liability for damages under the said agreement is set at the minimum liability amount provided in Article 425, paragraph (1) of the Companies Act. If the reappointment of Mr. Masashi Hiraiwa, Mr. Seiichi Koike, and Ms. Emiko Hamada is approved, the Company plans to continue the said agreement.
8. The Company has entered into an officers' liability insurance contract prescribed in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The insurance contract is to reimburse any costs, such as compensation for damage and litigation costs, incurred by the insured persons in relation to a claim for damages brought against them based on an act (including nonfeasance) engaged by them while acting in the capacity of an officer of the Company, and the Company bears the full amount of insurance expenses on behalf of the insured persons. Each candidate will be included among the insured persons under this insurance contract. The Company plans to renew the insurance contract under the same terms and conditions that are currently in force.

[Reference] Skill Matrix and Composition Following this General Meeting of Shareholders

■Skills Matrix

The main areas of expertise and experience of the Board of Directors are as follows:

●Chairperson ○Member

Name		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		●	●				●	○	○
Toshimitsu Honda (Full-time Audit and Supervisory Committee Members)		●			●					
Tomomi Fujita (Audit and Supervisory Committee Member)	Outside Independent						●	●		
Tomoko Tsunoda (Audit and Supervisory Committee Member)	Outside Independent	●				●		●		

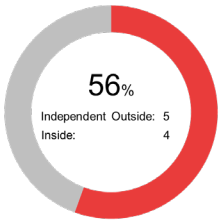
Notes: 1. Note that the table above does not necessarily show all experience and knowledge that the Directors have.

2. One (1) Audit and Supervisory Committee Member, designated by the Audit and Supervisory Committee for audit purposes, attends meetings of both the Nomination Committee and the Remuneration Committee.

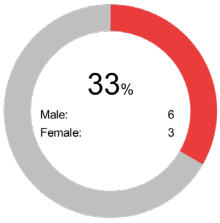
Name of Skill	Reason for Selection of Skill
Corporate management	To formulate and execute management strategies and supervise management to enhance our corporate value sustainably.
Technology / R&D	To create high-value electronic components, focusing on high-end and highly reliable products, and secure 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.

Composition of the Board of Directors

Ratio of Independent Outside Directors

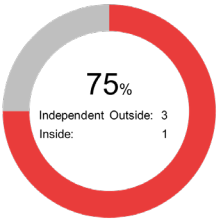


Ratio of Female Directors



Composition of the Nomination Committee/Remuneration Committee

Ratio of Independent Outside Directors



Proposal No. 3: Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member

At the 83rd Ordinary General Meeting of Shareholders held on June 27, 2024, Mr. Hiroshi Arai was elected as a substitute Director who is an Audit and Supervisory Committee Member. However, as Mr. Arai subsequently submitted a request to decline the appointment, and accordingly, based on the resolution of the 83rd Ordinary General Meeting of Shareholders and with the consent of the Audit and Supervisory Committee, the Board of Directors passed a resolution to cancel the effectiveness of Mr. Arai's appointment as a substitute Director who is an Audit and Supervisory Committee Member as of the commencement of this Ordinary General Meeting of Shareholders.

Therefore, in order to prepare for a case when the number of Directors who are Audit and Supervisory Committee Members stipulated by laws and regulations might be insufficient, the Company hereby requests that one (1) substitute Director who is an Audit and Supervisory Committee Member be elected in advance. Further, the effectiveness of the election may be cancelled based on a resolution of the Board of Directors, provided such cancellation is made prior to the assumption of office and with the consent of the Audit and Supervisory Committee.

This proposal has been consented by the Audit and Supervisory Committee.

The candidate for substitute Director who is an Audit and Supervisory Committee Member is as follows:

Itsutake Noguchi
(Date of birth: July 19, 1982)

Number of officer positions concurrently held at listed companies	Number of Company shares held
0	0 shares



Outside
Independent

Career summary, positions and responsibilities at the Company

December 2005	Joined Deloitte Touche Tohmatsu LLC (left the firm in September 2011)
July 2009	**Registered as a certified public accountant (to the present)**
October 2011	Joined Tateishi CPA (left the firm in March 2012)
April 2012	**Founder and representative of Relyl Audit Office (to the present)**
May 2012	**Registered as tax accountant (to the present)**
June 2012	**Founder and Representative Director of PyXis K.K. (to the present)**
October 2018	**Founder and Representative Director of Relyl K.K. (to the present)**
December 2020	**Outside Audit & Supervisory Board Member of ALC PRESS INC. (to the present)**
August 2022	**Audit & Supervisory Board Member of ALC EDUCATION INC. (to the present)**

Significant concurrent positions

Representative of Relyl Audit Office

Representative Director of Relyl K.K.

Founder and Representative Director of PyXis K.K.

Reasons for appointment of candidate for Substitute Outside Director who is an Audit and Supervisory Committee Member and summary of expected roles

As a certified public accountant and tax accountant, Mr. Itsutake Noguchi has abundant experience and expertise in corporate accounting, as well as knowledge as a manager and experience as an Outside Audit & Supervisory Board Member at other companies. Based on the above, the Company has appointed him as a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member as it has determined that if he were appointed as Outside Director who is an Audit and Supervisory Committee Member, he would be able to appropriately audit and supervise the execution of the business of the Company based on his expertise.

Independence of the candidate

If the appointment of Mr. Itsutake Noguchi as Outside Director is approved, the Company plans to designate him as an independent officer as prescribed by the Tokyo Stock Exchange.

Notes: 1. No special interests exist between the Company and Mr. Itsutake Noguchi.

2. Mr. Itsutake Noguchi is a candidate for Outside Director as stipulated in Article 2, paragraph (3), item (vii) of the Regulation for Enforcement of the Companies Act.

3. Mr. Itsutake Noguchi does not fall under any of the following facts:

   1) the candidate was a business operator or an officer of the Company or any of its subsidiaries in the past; 2) the candidate is currently or was in the past ten (10) years a business operator or an officer of a business concern that has specific relations with the Company; 3) the candidate is going to receive or has received in the past two (2) years a considerable amount of cash and/or other assets from the Company or such business concern; or 4) the candidate is a spouse, a relative within the third (3rd) degree of kinship of a business operator or an officer of the Company or such business concern, or any other equivalent person.

4. In accordance with Article 427, paragraph (1) of the Companies Act, an agreement to limit any liability for damages prescribed in the provision of Article 423, paragraph (1) of the said Act is in force between the Company and Outside Directors, and the limit on liability for damages under the said agreement is set at the minimum liability amount provided in Article 425, paragraph (1) of the Companies Act. If Mr. Itsutake Noguchi assumes the position of Outside Director, the Company plans to enter into such a contract with him.

5. The Company has entered into an officers' liability insurance contract prescribed in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The insurance contract is to reimburse any costs, such as compensation for damage and litigation costs, incurred by the insured persons in relation to a claim for damages brought against them based on an act (including nonfeasance) engaged by them while acting in the capacity of an officer of the Company, and the Company bears the full amount of insurance expenses on behalf of the insured persons. Mr. Itsutake Noguchi will be included among the insured persons under this insurance contract if he assumes the position of Outside Director. The Company plans to renew the insurance contract under the same terms and conditions that are currently in force.

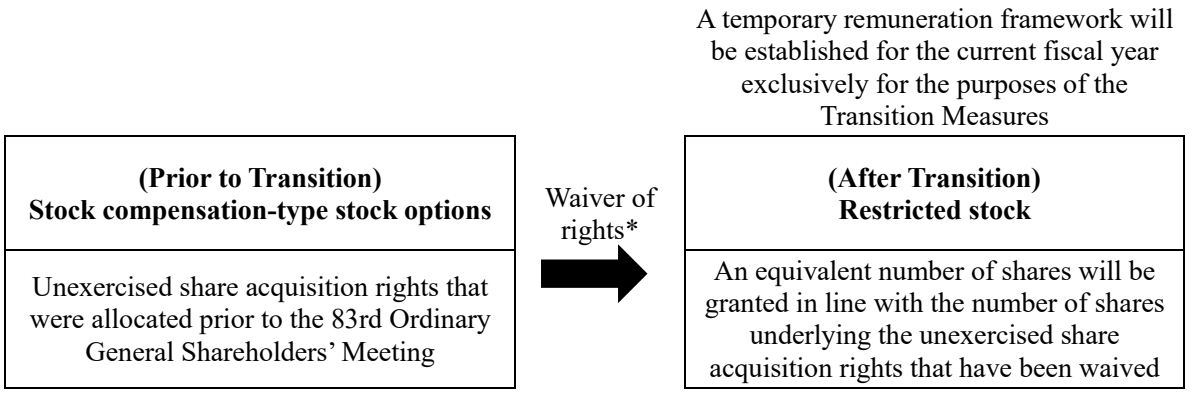
Proposal No. 4: Determination of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members and Non-executive Directors including Outside Directors) in relation to the transfer of unexercised share acquisition rights granted as stock compensation-type stock options to restricted stock

[Reference] About the Transition Measures

■Purpose
The purpose of the Transition Measures is to promote the further unified and efficient management of the stock remuneration plan as well as to enhance the sustainable improvement of the Company's corporate value and the sharing of value with shareholders through the Directors' ownership of the Company's shares.
Furthermore, in order to achieve this purpose, the Company has established Shareholding Guidelines for Directors, targeting executive directors, in conjunction with the Transition Measures.

■Overview
At the 83rd Ordinary General Meeting of Shareholders, the Company abolished the stock compensation-type stock options plan and introduced a new stock remuneration plan under which shares with transfer restrictions are granted (hereinafter referred to as "the Plan").
This proposal is part of the revision of the Directors' remuneration plan and seeks to implement transition measures for reappointed Executive Directors at this Meeting. Under the Transition Measures, Reappointed Directors will forfeit their unexercised share acquisition rights that were previously granted as stock compensation-type stock options prior to the introduction of the Plan, and in exchange, will be allotted an equivalent number of shares with transfer restrictions.
The Transition Measures involve converting share acquisition rights granted prior to the introduction of the Plan into restricted stock, and does not, in essence, constitute the granting of any additional monetary remuneration.

■Image



*The share acquisition rights for which rights have been waived by each individual will be acquired by the Company without compensation and will subsequently be extinguished.

At the 83rd Ordinary General Meeting of Shareholders held on June 27, 2024, the Company obtained approval to abolish the provisions concerning the amount of remuneration for share acquisition rights granted as stock compensation-type stock options as approved at the 81st Ordinary General Meeting of Shareholders held on June 29, 2022, and to introduce a stock remuneration plan (hereinafter referred to as "the Plan") under which the Company's common stock subject to a fixed transfer restriction period and grounds for acquisition free of charge by the Company (hereinafter referred to as "Restricted Stock") will be granted in the form of "Restricted Stock by Position" and "Performance-based Post-Delivery Restricted Stock." With respect to the amount of remuneration for the Company's directors (excluding directors who are Audit and Supervisory Committee Members), the maximum annual amount of monetary remuneration ("Monetary Remuneration Framework") consisting of "basic remuneration" and "performance-based bonuses" shall be ¥500 million (of which up to ¥40 million is for Outside Directors), and the maximum

annual amount of remuneration related to Restricted Stock ("Share Remuneration Framework") for Directors subject to this system (excluding Directors who are Audit and Supervisory Committee Members and Non-executive Directors including Outside Directors) shall be ¥50 million for "Restricted Stock Remuneration by Position" (with a maximum of 12,500 shares assigned per fiscal year) and ¥150 million for "performance-based post-delivery restricted stock remuneration" (with a maximum of 37,500 shares assigned per fiscal year).

The Company, as part of its review of the directors' remuneration plan, proposes to implement, for the purpose of providing incentives to the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members and Non-executive Directors including Outside Directors; hereinafter referred to as "Eligible Directors") and striving for the sustainable enhancement of corporate value and further promotion of the sharing of value with shareholders, transition measures (hereinafter referred to as "Transition Measures") under which, in exchange for the forfeiture by each reappointed Eligible Director (hereinafter referred to as "Reappointed Directors"), who are expected to continue in office pursuant to Proposal No. 2 "Election of Six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members)," of the unexercised share acquisition rights previously granted as stock compensation-type stock options prior to the introduction of the Plan and currently held by such Reappointed Directors, an equivalent number of restricted stock will be assigned. The Transition Measures involve converting the share acquisition rights already granted to Reappointed Directors as stock compensation-type stock options prior to the introduction of the Plan into restricted stock, and does not, in essence, constitute the granting of any additional monetary remuneration.

Accordingly, in implementing the Transition Measures, the Company proposes to establish, solely for the 85th fiscal year (April 1, 2025 to March 31, 2026; hereinafter referred to as the "Current Fiscal Year"), a separate remuneration plan, distinct from the aforementioned monetary remuneration framework and share remuneration framework, under which the total amount of monetary claims to be granted to the Reappointed Directors as remuneration for the assignment of restricted stock shall be set at an amount deemed appropriate in consideration of the number of shares underlying the unexercised share acquisition rights held by each individual, up to a maximum of ¥300 million.

It should be noted that the content of this proposal is necessary and reasonable for the payment of remuneration for Reappointed Directors in line with the Policy to determine the contents of remuneration paid to each Director as described on page 41. The content of this proposal had been deliberated at the voluntary Remuneration Committee chaired by an Independent Outside Director. Based on the Committee's opinions, this proposal has been made. In addition, although this proposal was reviewed by the Audit and Supervisory Committee, no opinion that should be expressed was given. Based on the above, the Company has determined that the content of this proposal is suitable.

There are currently seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members) (including three (3) Outside Directors), and if Proposal No. 2 "Election of Six (6) Directors (Excluding Directors who are Audit and Supervisory Committee Members)" is approved as originally proposed, there will be six (6) Directors (of which three (3) will be Outside Directors), and the number of Reappointed Directors who are subject to the Transition Measures (excluding Directors who are Audit and Supervisory Committee Members) will be three (3).

It should be noted that among the holders of share acquisition rights granted as stock compensation-type stock options, those who will resign from their position as Director of the Company upon the conclusion of this Ordinary General Meeting of Shareholders will not be subject to the Transition Measures and will instead exercise their share acquisition rights in accordance with the share acquisition rights allocation agreements previously entered into at the time the rights were granted.

Details

1. Total number of restricted stock

The total number of restricted stock to be assigned to the Reappointed Directors shall be 82,500 shares, which shall serve as the maximum number of restricted stock to be assigned in the Current Fiscal Year for the implementation of the Transition Measures.

However, on or after the resolution date of this proposal, if the Company carries out a share split (including a gratis allotment of shares), share consolidation, etc. for its common stock, or if it becomes necessary to adjust the total number of restricted stock to be assigned due to other equivalent reason, the total number of restricted stock to be assigned may be reasonably adjusted.

2. Specific content of the restricted stock to be assigned based on the Transition Measures

(1) Assignment and payment for restricted stock

In the Current Fiscal Year, when assigning the restricted stock based on the Transition Measures (hereinafter referred to as the "Restricted Stock"), the Company shall, based on a resolution of the Board of Directors, grant to each Reappointed Director a monetary remuneration claim within the above-mentioned limit, and each Reappointed Director will receive assignment of the Restricted Stock by contributing the entire amount of such monetary remuneration claim as property contributed in kind. However, in the event of the position as both Director and Operating Officer of the Company having been lost during the period through to the issuance of Restricted Stock based on the Transition Measures, due to the expiration of their terms of office or other reason judged to be legitimate by the Board of Directors of the Company, money to the amount reasonably calculated by the Board of Directors of the Company as an amount equivalent to these may be paid in lieu of the issuance of the Restricted Stock, within the range of the amount of monetary remuneration claims for Reappointed Directors described above.

It should be noted that the amount to be paid in for Restricted Stock shall be determined by the Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately before the date of resolution by the Board of Directors of the Company regarding the issuance or disposal (if there is no closing price on such date, the closing price on the closest preceding trading day) within the extent that the amount will not be particularly advantageous to Reappointed Directors who receive an allocation of Restricted Stock. In addition, the monetary remuneration claims described above will be granted on the condition that each Reappointed Director has agreed to forfeit all unexercised share acquisition rights granted as stock compensation-type stock options held by such Director, has consented to the contribution in kind described above, and has entered into a restricted stock allocation agreement (hereinafter referred to as the "Allocation Agreement") that includes the content set forth in (2) below.

(2) Content of allocation agreement for restricted stock

When allocating the Restricted Stock, the Allocation Agreement to be executed between the Company and the Reappointed Director receiving such an allocation of Restricted Stock, based on the resolution of the Board of Directors of the Company, shall include the content described below.

(i) Restriction content

Reappointed Directors who have received an allocation of Restricted Stock, for the period from the issuance date of the Restricted Stock through to the date when their position as a Director and Operating Officer of the Company comes to an end (hereinafter referred to as "Restriction Period"), may not transfer to a third party, set a pledge, set as collateral, gift inter vivos, bequest, or dispose in any other manner (hereinafter referred to as "Restriction") of the Restricted Stock that the applicable Reappointed Director has been allocated (hereinafter referred to as "the Allocated Stock").

(ii) Gratis acquisition by the Company

The Company, in the event that a Reappointed Director who has received the Allocated Stock has lost their position as Director and Operating Officer of the Company, with the exception of

the Board of Directors of the Company recognizing there to be justifiable grounds, shall acquire the Allocated Stock for no charge as a matter of course.

(iii) Lifting of transfer restrictions

The Company, upon the expiration of the Restriction Period, shall release the restrictions on all of the Allocated Stock held at that time by the Reappointed Directors who received the Allocated Stock.

However, if the Reappointed Director loses both their position as Director and Operating Officer of the Company due to a reason the Board of Directors of the Company deems justifiable, the Company shall rationally adjust the timing of the lifting of transfer restrictions as needed.

(iv) Treatment during reorganization, etc.

If, during the Restriction Period, proposals relating to a merger agreement in which the Company is the dissolving company, a stock exchange agreement or stock transfer plan in which the Company becomes a wholly owned subsidiary, or other organizational restructuring, etc. are approved at the Company's General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company, by resolution of the Board of Directors, shall lift the transfer restrictions for all of the Allocated Stock prior to the effective date of the organizational restructuring, etc.

(v) Other matters

Other matters relating to the Allocation Agreement shall be prescribed by the Company's Board of Directors.

(Reference)

If this Proposal is approved as originally proposed, the Company also plans to implement measures equivalent to the Transition Measures during the Current Fiscal Year for its Operating Officers as well as the Reappointed Directors.

BUSINESS REPORT

(April 1, 2024 through March 31, 2025)

1. Corporate Mission, Management Philosophy, and Vision

The Group has formulated the "Medium-term Management Plan 2025," which started in Fiscal 2021. By looking at 2030, which is 10 years from now, we see 2025 as a milestone toward establishing a significant presence as a parts manufacturer, while aiming to increase corporate value by increasing both economic and social value.

The Group's corporate mission is: "Stronger and more socially aware through the wonders of science." Making use of "the wonders of science" that will bring exciting experience, unexpected discoveries, and surprises, in addition to systematic knowledge and experience, we will support the evolution of electronics technologies that support the secure, safe, comfortable, and convenient lives of people and thereby contribute to society.



The management philosophy of the Group consists of "employee well-being," "betterment of local communities," and "responsibility to provide returns to shareholders." The founder of TAIYO YUDEN developed this management philosophy thinking that a company can fulfill its social and public responsibilities by ensuring that its employees and their families can lead a happy and fulfilling life. As a common value of the Group, our employees keep it in mind to put the management philosophy in practice in the course of their daily business execution.

The Group's vision is "to be an excellent company that enjoys the trust and highest regard from all stakeholders." The Company will aim to continue to be a company that wins the trust of customers, business partners, shareholders, local communities, employees, etc., by meeting their expectations and requests and enjoys highest regard from them by providing values that exceed their expectations and requests. To realize this vision, we will develop, manufacture and sell smart products that are safe and high quality meeting markets' needs and take responsibility for initiatives we conduct in the areas of labor, human rights, safety and health, the environment as well as ethics as we continue our activities.

[Reference] Medium-term Management Plan 2025

The Group has formulated the "Medium-term Management Plan 2025," which started in Fiscal 2021. Under the "Medium-term Management Plan 2025," the Group aims to further improve corporate value through activities centered toward realizing the respective goals set forth below for the economic value and social value items.

Corporate Value (Economic Value + Social Value)

Economic Value		Social Value	
Net sales	480 billion yen	GHG (greenhouse gas) emissions	FY2030 (Absolute amount reductions) 42% reduction (compared with FY2020)
Operating margin	15% or higher	Waste, Water usage	FY2025 (Per basic unit) 10% reduction (compared with FY2020)
ROE	15% or higher	Safe & secure workplace Optimization of group base functions	• Incidence rate of injuries and illness[*1] □ 0.016 • Accident frequency rate[*2] □ 0.08
ROIC	10% or higher	Work style reforms Diversity	• Work engagement[*3]: 2.5 or higher • Ratio of newly recruited female graduates: 30% or higher • Ratio of female managers in FY2030: 10% or higher

*1 Number of persons requiring one or more days off due to workplace related injury or illness per 200,000 labor hours
*2 Number of victims requiring one or more days off due to workplace accident per 1 million labor hours
*3 Represents the state of mind of employees regarding work, which is measured on a four-point scale for employees

To realize the economic value targets, we will aim to raise the percentage of sales in focused markets, such as automobile, information infrastructure, and industrial equipment, in total sales to 50%. We also plan to continuously expand capacity to meet increase in demand as well as to implement proactive initiatives in the areas of environmental measures and upgrading of IT.

Regarding social value, we strengthen our efforts by setting targets for each of our ESG (environment, society, governance) initiatives. On the environmental front, we will strengthen our efforts by setting targets to reduce GHG (greenhouse gas) emissions. We will evaluate climate-related risks and opportunities in our business activities in accordance with TCFD (Task Force on Climate-related Financial Disclosures) recommendations to put measures in place for the global issue of climate change, and we will strive for active information disclosure. On the social front, we will continue to conduct business activities based on the core principle of safety first, while promoting work style reforms and diversity management. In the area of governance, we are working on initiatives to improve management quality and to establish and evolve BCM (Business Continuity Management) to support business growth.

Materiality

Category		Materiality	SDGs Targets
Economic Value		Strengthen core technologies to make our core business grow Create solutions to solve social issues	
Social Value	E: Environment	Strengthen measures to climate change Use resources effectively and contribute to establish recycling society	
	S: Social	Achieve health-oriented management and work style reform at safety first workplace Train and develop human resources based on the diversity policy	
	G: Governance	Improve management quality to support business growth Establish and evolve BCM for disaster and infectious disease	

2. Current Status of the TAIYO YUDEN Group

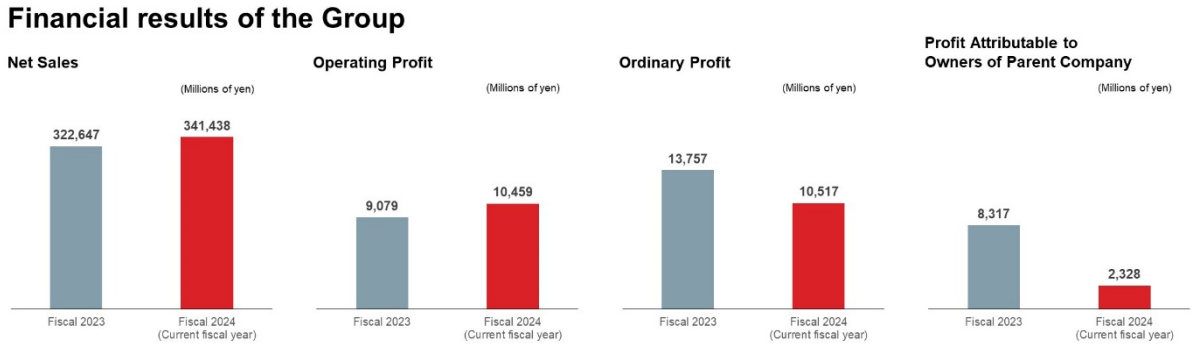
(1) Review of operations and results

In regard to the business environment surrounding the Group this period (from April 1, 2024 to March 31, 2025), although there were signs of weakness in some regions, the global economy continued to show signs of a recovery. As for the future, the recovery is expected to continue, but it will be necessary to closely monitor trade policies in individual countries, including tariff measures, as well as fluctuations in financial and capital markets and international affairs.

To meet the targets set forth in the "Medium-term Management Plan 2025," the Group aims for the percentage of sales in focused markets, such as automobile and information infrastructure/industrial equipment, to be 50% of total sales. Moreover, the Group will produce high value-added electronic components with a focus on high-end and high reliability products to achieve further growth in multilayer ceramic capacitors, the Group's core business, in addition to strengthening inductor and communication device products to establish them as core businesses. We also plan to continuously expand capacity to meet increase in demand as well as to implement proactive initiatives in the areas of environmental measures and upgrading of IT.

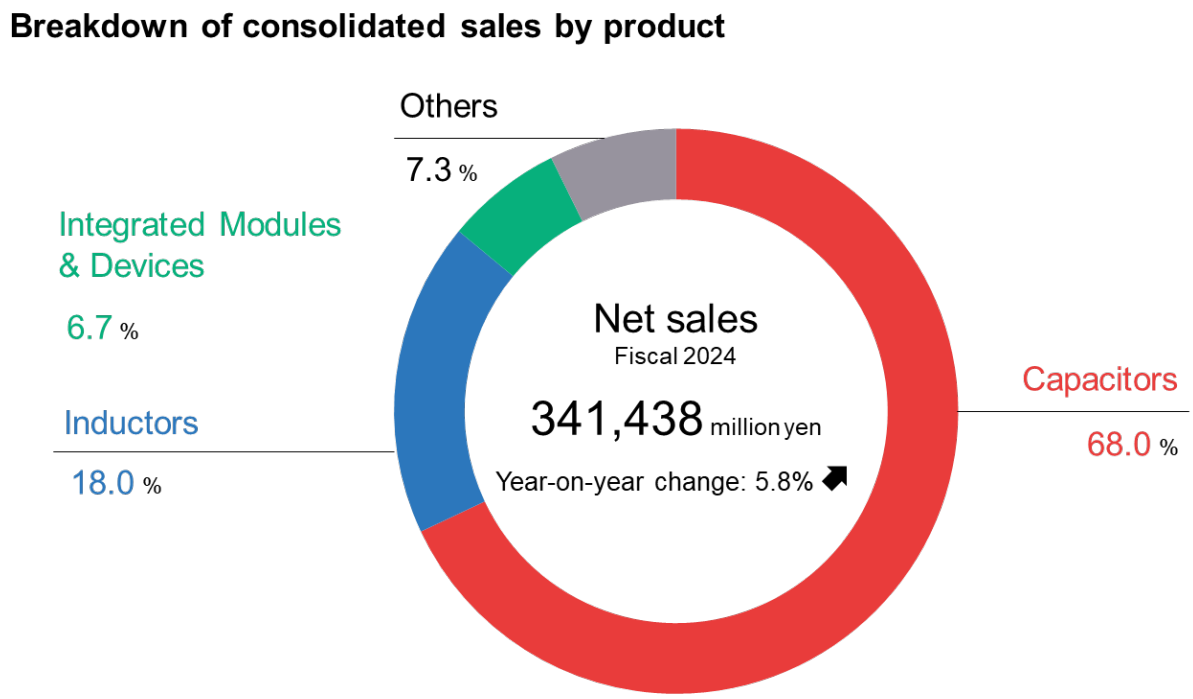
Consolidated net sales for the fiscal year under review totaled ¥341,438 million, which is an increase of 5.8% compared to the previous fiscal year. Operating profit was ¥10,459 million, an increase of 15.2%. Ordinary profit was ¥10,517 million, a decrease of 23.6%. Profit attributable to owners of parent was ¥2,328 million, a decrease of 72.0%. Net sales and operating profit increased due to recovery from inventory adjustments mainly in information equipment, information infrastructure/Industrial equipment, as well as the impact of the weaker yen. In addition, ordinary profit decreased due to foreign exchange losses, and profit attributable to owners of parent decreased due to loss related to the Anti-monopoly Act.

The average foreign currency exchange rate for the fiscal year under review was US$1: ¥152.61. This is a depreciation of ¥9.29 as compared to the average realized in the previous fiscal year of US$1: ¥143.32.



(2) Principal business activities (as of March 31, 2025)

Consolidated Sales by Product



Breakdown of sales by area of use

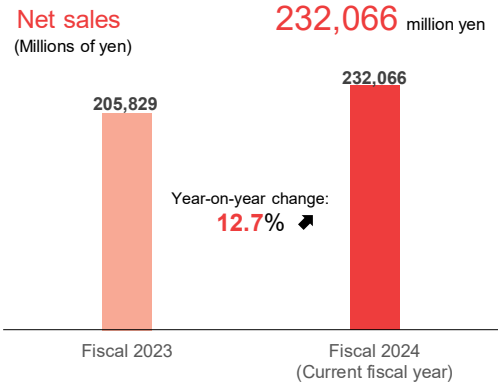
IT infrastructure / Industrial equipment	Automotive	Communication equipment	Information equipment	Consumer products
● Servers ● Base station communication device ● Security cameras	● Advanced driver assistance systems (ADAS) ● Meter clusters ● Electronic control units	● Smartphones	● Tablet devices ● PCs ● HDD/SSD	● Game consoles ● Smartwatches ● Wireless earphones
20%	30%	24%	18%	8%

Capacitors

Main products

- Multilayer ceramic capacitors

Net sales totaled ¥232,066 million, which is an increase of 12.7% compared to the previous fiscal year. This was due to a year-on-year increase in sales for information equipment, automotive, and IT infrastructure / industrial equipment.

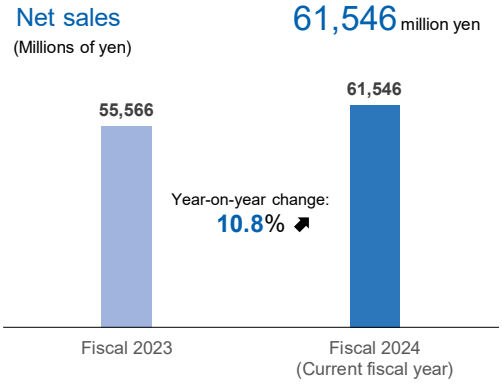


Inductors

Main products

- Winding inductors
- Multilayer inductors

Net sales totaled ¥61,546 million, which is an increase of 10.8% compared to the previous fiscal year. This was due to a year-on-year increase in sales for consumer products, information equipment, and IT infrastructure / industrial equipment.

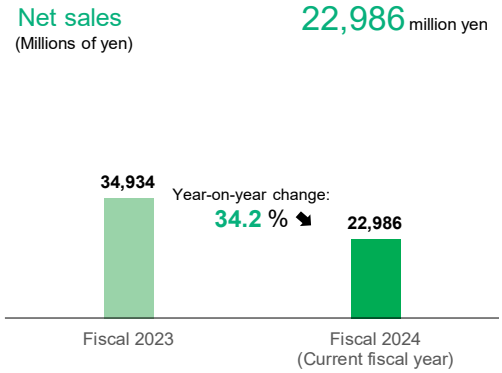


Integrated Modules & Devices

Main products

- Communications devices (FBAR/SAW)
- Circuit modules

Net sales totaled ¥22,986 million, which is a decrease of 34.2% compared to the previous fiscal year. This was due to a year-on-year decrease in sales for FBAR/SAW devices for communications and circuit modules.

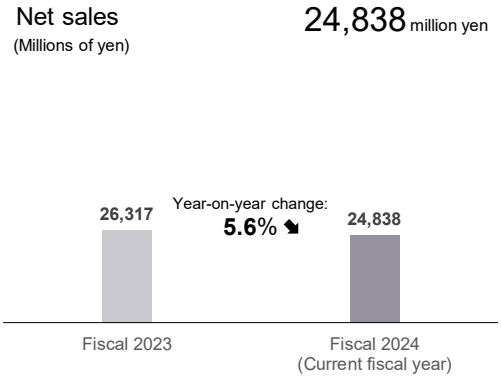


Others

Main products

- Aluminum electrolytic capacitors

Net sales totaled ¥24,838 million, which is a decrease of 5.6% compared to the previous fiscal year. This was due to a year-on-year decrease in sales for aluminum electrolytic capacitors.



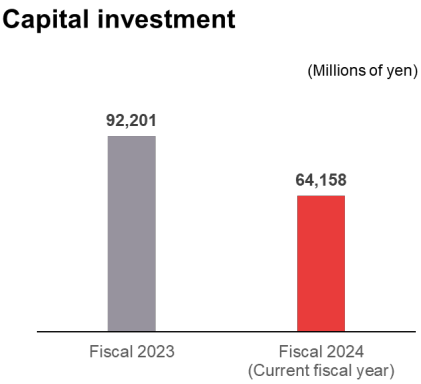
(3) Summary of assets and profit or loss

Business terms	Fiscal 2020 (80th Term)	Fiscal 2021 (81st Term)	Fiscal 2022 (82nd Term)	Fiscal 2023 (83rd Term)	**Fiscal 2024 (84th Term) (current fiscal year)**
Net sales (Millions of yen)	300,920	349,636	319,504	322,647	**341,438**
Operating profit (Millions of yen)	40,766	68,218	31,980	9,079	**10,459**
Operating margin (%)	13.5	19.5	10.0	2.8	**3.1**
Ordinary profit (Millions of yen)	41,247	72,191	34,832	13,757	**10,517**
Profit attributable to owners of parent (Millions of yen)	28,615	54,361	23,216	8,317	**2,328**
Comprehensive income (Millions of yen)	37,372	69,260	28,654	22,773	**218**
Total assets (Millions of yen)	404,642	474,522	503,462	579,686	**573,188**
Net assets (Millions of yen)	243,941	300,286	318,478	330,098	**319,171**
Basic earnings per share (Yen)	227.99	433.46	186.32	66.75	**18.67**
Net assets per share (Yen)	1,937.86	2,403.20	2,548.15	2,640.98	**2,552.94**
Equity ratio (%)	60.1	63.1	63.1	56.8	**55.6**
Rate of return on equity (ROE) (%)	12.6	20.0	7.5	2.6	**0.7**
Price-earnings ratio (Times)	22.8	12.8	23.8	54.3	**132.1**
Dividend payout ratio (%)	17.5	18.5	48.3	134.8	**482.1**
Cash flows from operating activities (Millions of yen)	52,882	67,315	39,460	51,104	**33,941**
Cash flows from investing activities (Millions of yen)	(42,218)	(50,622)	(60,438)	(82,793)	**(63,527)**
Cash flows from financing activities (Millions of yen)	12,604	(14,711)	14,485	37,647	**3,048**
Cash and cash equivalents at end of period (Millions of yen)	81,785	88,609	84,124	94,940	**67,543**
Research and development expenses (Millions of yen)	12,550	13,099	12,678	13,696	**15,042**
Capital investment (Millions of yen)	49,699	34,023	50,489	92,201	**64,158**
Depreciation (Millions of yen)	29,256	31,287	34,903	39,391	**46,258**

(4) Capital investment, financing and major creditors

i) Capital investment

Capital investment during the fiscal year under review amounted to approximately ¥64,158 million at the acceptance and inspection. Major investments were made to enhance production capacity for multilayer ceramic capacitors for automotive applications and IT infrastructure / Industrial equipment.



ii) Financing

Financing from external sources as of the end of the fiscal year under review consisted of ¥4,200 million in short-term borrowings, ¥15,502 million in current portion of long-term borrowings, ¥50,991 million in convertible-bond-type bonds with share acquisition rights, and ¥93,707 million in long-term borrowings. In principle, borrowings are procured within Japan at fixed interest rates. In addition, for the purpose of financial stability, a commitment line of ¥30,000 million effective for three (3) years has been established. However, the Company had not used the line as of March 31, 2025.

iii) Major creditors (as of March 31, 2025)

Creditor	Loan outstanding (Millions of yen)
Sumitomo Mitsui Banking Corporation	43,500
MUFG Bank, Ltd.	19,500
The Iyo Bank, Ltd.	19,400
Mizuho Bank, Ltd.	18,700
The Gunma Bank, Ltd.	7,300

(5) Acquisitions or disposal of the stock, equity interests, or share acquisition rights of other companies

Not applicable

(6) Issues to address

From a medium- to long-term perspective, the Group expects that demand for electronic components will expand in the automotive, and information infrastructure and industrial equipment markets, which will require higher quality and higher reliability than ever before. In addition, in the market for smartphones and other communication devices, there will be demand for a large number of cutting-edge electronic components that are smaller, thinner, and have more superior characteristics as devices become more sophisticated and offer higher performance, transmission technologies evolve, and electronic components are packaged and mounted at increasingly higher densities.

In response to these markets, the Group is quickly developing cutting-edge products with a strong competitive advantage that can contribute to the technological evolution of devices. We have positioned automotive and information infrastructure/industrial equipment as focus markets, and we are striving to promote sales of highly reliable products, and expand and diversify our commercial distribution channels. We will also continue to make investments essential for future growth, such as increasing production capacity in Japan and overseas to ensure a stable supply. In addition, we will strive to improve our manufacturing capabilities, build a decentralized production system, and improve production efficiency through the use of AI and other technologies.

At the same time, the increasingly uncertain international situation, the global pandemic of infectious disease, the occurrence of large-scale natural disasters, and parts and materials shortages, etc., have brought about rapid and wide-ranging changes in the state of society and the business environment. In particular, intensified turmoil in the international situation or a significant decline in the global

economy could have effects, such as a slump in demand for electronic components, higher purchasing prices due to surging resource prices, and higher logistics costs due to soaring crude oil prices and changes in air and maritime transportation routes. The Group will continue to collect information from multiple perspectives and work closely with customers, suppliers, and other parties to minimize the impact.

The Group has cash and deposits of ¥78,166 million and maintains a sound financial position with an equity ratio of 55.6%. In addition, the Group will continue its operations by securing means to respond to unforeseen circumstances, such as commitment line agreements totaling ¥30,000 million put in place with several financial institutions.

The Group will continue aiming to enhance its corporate value by increasing its economic value and, at the same time, increasing its social value by meeting the demands and expectations of its stakeholders. In the “Medium-term Management Plan 2025,” we have established materiality (key issues) tied to the SDGs targets. In particular, we have set numerical targets for reducing greenhouse gas (GHG) emissions as a response to climate change, as well as for the ratio of newly hired female graduates and female managers as a response to achieving diversity, in order to accelerate our efforts to enhance social value.

[Reference] Policy on shareholdings

Listed stock names of the policy on shareholdings (as of March 31, 2025)

There is no policy of shareholdings.

■ Total amount of the policy of shareholdings in the balance sheet (as of March 31, 2025)

Classification / Business terms	Fiscal 2020 (80th Term)	Fiscal 2021 (81st Term)	Fiscal 2022 (82nd Term)	Fiscal 2023 (83rd Term)	**Fiscal 2024 (84th Term) (current fiscal year)**
Number of issues	3	0	0	0	**0**
Total amount of the carrying value in the balance sheet (Millions of yen)	757	0	0	0	**0**
Ratio thereof accounted for in the consolidated balance sheet accounting (%)	0.1	0.0	0.0	0.0	**0.0**

Note: Figures are rounded down to one decimal place.

i) Policy of holding policy on shareholdings
The Company holds shares only if the Board of Directors determines that such policy on shareholdings is conducive to the maintenance and reinforcement of commercial and collaborative relationship with our business partners as well as medium- to long-term improvement of the corporate value and sustainable growth, which can be attained through such relationships.
ii) Method of verifying the reasonableness of shareholding, and verification by the Board of Directors, etc.
The Board of Directors annually examines all such policy on shareholdings to verify the reasonability of holding them based on comprehensive judgment from the perspective of their holding purposes. The Company will reduce any shareholdings that are determined to be unreasonable by selling such shares.
iii) Exercise of voting rights
The Company appropriately exercises its voting rights of the cross-shareholdings based on comprehensive judgment on several factors such as non-infringement of any laws and/or regulations, non-involvement in any antisocial actions and the fact that the relevant proposal can be judged to have sound content.

(7) Status of principal subsidiaries (as of March 31, 2025)

i) Principal subsidiaries

Name	Location	Share capital	Percentage of equity participation of the Company (%)	Principal business
TAIWAN TAIYO YUDEN CO., LTD.	Taiwan	NT$333 million	100.0	Sale of Electronic Components
KOREA TAIYO YUDEN CO., LTD.	South Korea	10,000 million WON	100.0	Sale of Electronic Components
KOREA KYONG NAM TAIYO YUDEN CO., LTD.	South Korea	61,884 million WON	100.0	Production of Electronic Components
HONG KONG TAIYO YUDEN CO., LTD.	Hong Kong	HK$20,400 thousand	100.0	Sale of Electronic Components
TAIYO YUDEN (GUANGDONG) CO., LTD.	China	US$85,550 thousand	100.0 (9.3)	Production of Electronic Components
TAIYO YUDEN (SHANGHAI) TRADING CO., LTD.	China	US$557 thousand	100.0 (10.2)	Sale of Electronic Components
TAIYO YUDEN (CHANGZHOU) CO., LTD.	China	US$200,000 thousand	100.0 (12.5)	Production of Electronic Components
TAIYO YUDEN (SINGAPORE) PTE. LTD.	Singapore	S$18,555 thousand	100.0	Sale of Electronic Components
TAIYO YUDEN (PHILIPPINES), INC.	The Philippines	P.P.490 million	100.0	Production of Electronic Components
TAIYO YUDEN (SARAWAK) SDN. BHD.	Malaysia	MYR100 million	100.0	Production of Electronic Components
TAIYO YUDEN (U.S.A.) INC.	U.S.A.	US$3,154 thousand	100.0	Sale of Electronic Components
TAIYO YUDEN EUROPE GmbH	Germany	EUR 1,000 thousand	100.0	Sale of Electronic Components
NIIGATA TAIYO YUDEN CO., LTD.	Niigata	¥1,000 million	100.0	Production of Electronic Components
TAIYO YUDEN CHEMICAL TECHNOLOGY CO., LTD.	Gunma	¥100 million	100.0	Production and Sale of Electronic Components
FUKUSHIMA TAIYO YUDEN CO., LTD.	Fukushima	¥100 million	100.0	Production of Electronic Components
WAKAYAMA TAIYO YUDEN CO., LTD.	Wakayama	¥100 million	100.0	Production of Electronic Components
TAIYO YUDEN Mobile Technology Co., Ltd.	Tokyo	¥100 million	100.0	Production of Electronic Components
ELNA CO., LTD.	Tokyo	¥100 million	100.0	Development, Production and Sale of Electronic Components

Notes: 1. Figures in parentheses shown under “Percentage of equity participation of the Company” is the percentage of indirect ownership.

2. The Company has 30 consolidated subsidiaries including 18 companies listed in “Status of principal subsidiaries” above and 1 associate not accounted for by the equity method.

3. The consolidated business performance in the fiscal year under review is as described in the above “(1) Review of operations and results.”

4. On January 15, 2025, TAIYO YUDEN (INDIA) ELECTRONICS PRIVATE LIMITED was established and made a consolidated subsidiary.

ii) Specified wholly owned subsidiaries

Not applicable

(8) Principal offices and plants (as of March 31, 2025)

i) Principal business locations of the Company

Site type	Office/Plant name	Location
Headquarters	Head Office	Chuo-ku, Tokyo
	Takasaki Global Center	Takasaki-shi, Gunma
Sales offices	Sendai	Sendai-shi, Miyagi
	Metropolitan	Chuo-ku, Tokyo
	Gunma	Takasaki-shi, Gunma
	Nagoya	Nagoya-shi, Aichi
	Osaka	Osaka-shi, Osaka
	Fukuoka	Fukuoka-shi, Fukuoka
Manufacturing Bases	Haruna Plant	Takasaki-shi, Gunma
	Nakanojo Plant	Agatsuma-gun, Gunma
	Tamamura Plant	Sawa-gun, Gunma
	Yawatabara Plant	Takasaki-shi, Gunma
Development Bases	R&D Center	Takasaki-shi, Gunma
	Shin-Kawasaki Center SOLairoLab	Kawasaki-shi, Kanagawa

ii) Principal business locations of subsidiaries

Described on page 27, “(7) Status of principal subsidiaries.”

(9) Employees (as of March 31, 2025)

i) Employees of the TAIYO YUDEN Group

Number of employees	Increase (decrease) from the previous fiscal year
20,779	Decrease of 1,044 persons

Notes: 1. The number of employees is the number currently at work.

2. As the Group has a single business segment (electronic components business), the number of employees by segment is not shown.

ii) Employees of the Company

Number of employees	Increase (decrease) from the previous fiscal year	Average age	Average years of service
2,928	Increase of 75 persons	41.2 years old	16.5 years

Notes: 1. The number of employees is the number currently at work.

2. As the Group has a single business segment (electronic components business), the number of employees by segment is not shown.

(10) Other important matters concerning the current status of the TAIYO YUDEN Group

Not applicable

3. Shares of the Company (as of March 31, 2025)

(1) Total number of shares authorized to be issued: 300,000,000 shares

(2) Total number of shares issued: 130,218,481 shares (including 5,485,415 shares of treasury shares)

(3) Number of shareholders: 45,682

(4) Major shareholders (Top 10)

	Name	Number of shares held (shares)	Shareholding ratio (%)
1	The Master Trust Bank of Japan, Ltd. (Trust Account)	32,462,700	26.0
2	Custody Bank of Japan, Ltd. (Trust Account)	20,118,700	16.1
3	STATE STREET BANK AND TRUST COMPANY 505301	4,753,650	3.8
4	STATE STREET BANK WEST CLIENT-TREATY 505234	2,651,600	2.1
5	The Iyo Bank, Ltd.	2,000,100	1.6
6	Sato Fund for Orphans from Traffic Accidents	1,916,640	1.5
7	BNP PARIBAS FINANCIAL MARKETS	1,867,003	1.4
8	HSBC HONG KONG - TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	1,763,744	1.4
9	Nippon Life Insurance Company	1,666,450	1.3
10	JUNIPER	1,230,661	0.9

Notes: 1. The Company holds 5,485,415 shares of treasury shares, but it is excluded from the above-mentioned major shareholders.
2. Shareholding ratio is calculated excluding the number of treasury shares.
3. Figures are rounded down to one decimal place.

(5) Status of shares issued to the officers of the Company as a consideration for the execution of their duties during the fiscal year under review

The details of the share-based remuneration granted during the Current Fiscal Year are as follows.

Restricted stock remuneration by position

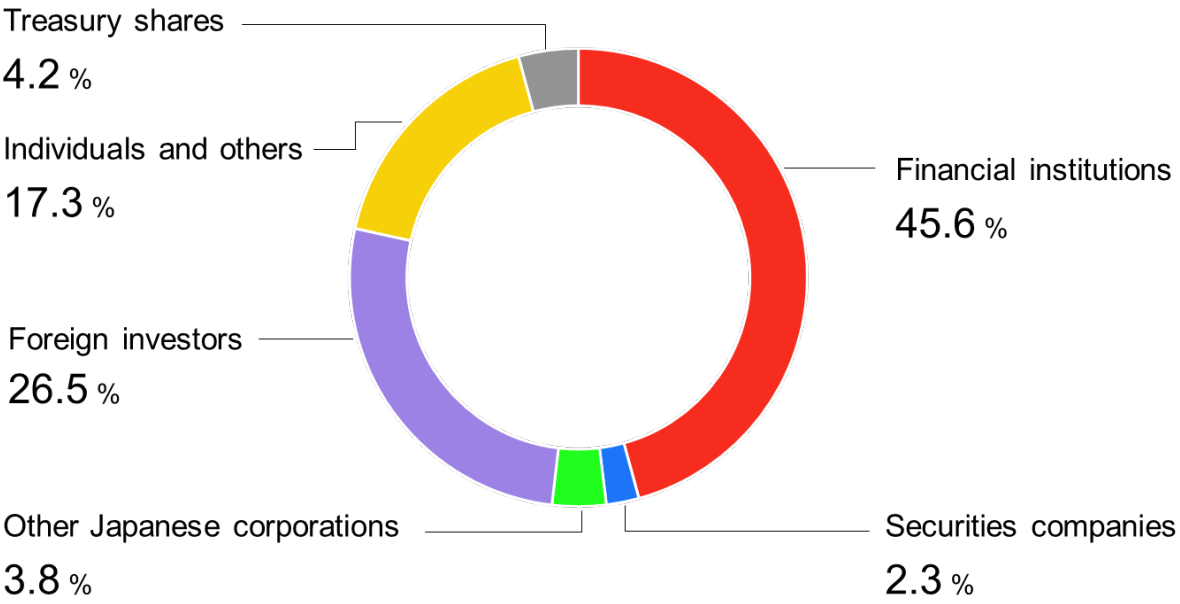
Officer classification	Number of shares	Number of members
Directors (excluding Directors who are Audit and Supervisory Committee Members and Non-executive Directors including Outside Directors)	4,921	3

Notes: 1. No shares were granted to Outside Directors or Directors who are Audit and Supervisory Committee Members.
2. Details concerning restricted stock remuneration by position are as stated on page 41 “5. Corporate Officers, (6) Remuneration paid to Directors and Audit & Supervisory Board Members.”

(6) Other important matters concerning shares of the Company

Not applicable

Distribution of shares by shareholder type



Note: Figures are rounded down to one decimal place.

4. Status of Share Acquisition Rights, etc.

(1) Status, at the end of the fiscal year under review, of share acquisition rights held by Directors of the Company delivered as a consideration for the execution of their duties

Name	Date of resolution for issuance	Shareholding status	Number of share acquisition rights	The class and the number of shares to be issued or transferred upon exercise of share acquisition rights	Exercisable period for the share acquisition rights
1st July 2007 issue of share acquisition rights	June 28, 2007	1 Director (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	3 units	3,000 shares of the common stock of the Company	July 14, 2007 through July 13, 2027
2nd July 2007 issue of share acquisition rights	June 28, 2007	1 Director (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	6 units	6,000 shares of the common stock of the Company	July 14, 2007 through July 13, 2027
June 2008 issue of share acquisition rights	June 27, 2008	1 Director (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	6 units	6,000 shares of the common stock of the Company	July 15, 2008 through July 14, 2028
May 2009 issue of share acquisition rights	May 25, 2009	1 Director (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	6 units	6,000 shares of the common stock of the Company	June 10, 2009 through June 9, 2029
June 2010 issue of share acquisition rights	June 29, 2010	1 Director (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	6 units	6,000 shares of the common stock of the Company	July 22, 2010 through July 21, 2030
June 2011 issue of share acquisition rights	June 29, 2011	1 Director (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	6 units	6,000 shares of the common stock of the Company	July 14, 2011 through July 13, 2031

Name	Date of resolution for issuance	Shareholding status	Number of share acquisition rights	The class and the number of shares to be issued or transferred upon exercise of share acquisition rights	Exercisable period for the share acquisition rights
April 2012 issue of share acquisition rights	April 25, 2012	1 Director (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	5 units	5,000 shares of the common stock of the Company	May 11, 2012 through May 10, 2032
May 2013 issue of share acquisition rights	May 24, 2013	1 Director (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	1 unit	1,000 shares of the common stock of the Company	June 10, 2013 through June 9, 2033
July 2013 issue of share acquisition rights	June 27, 2013	1 Director (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	5 units	5,000 shares of the common stock of the Company	July 12, 2013 through July 11, 2033
July 2014 issue of share acquisition rights	June 27, 2014	3 Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	9 units	9,000 shares of the common stock of the Company	July 14, 2014 through July 13, 2034
July 2015 issue of share acquisition rights	June 26, 2015	3 Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	13 units	13,000 shares of the common stock of the Company	July 13, 2015 through July 12, 2035
November 2015 issue of share acquisition rights	November 5, 2015	1 Director (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	1 unit	1,000 shares of the common stock of the Company	November 20, 2015 through November 19, 2035
July 2016 issue of share acquisition rights	June 29, 2016	4 Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	20 units	20,000 shares of the common stock of the Company	July 15, 2016 through July 14, 2036

Name	Date of resolution for issuance	Shareholding status	Number of share acquisition rights	The class and the number of shares to be issued or transferred upon exercise of share acquisition rights	Exercisable period for the share acquisition rights
July 2017 issue of share acquisition rights	June 29, 2017	4 Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	20 units	20,000 shares of the common stock of the Company	July 18, 2017 through July 17, 2037
July 2018 issue of share acquisition rights	June 28, 2018	4 Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	21 units	21,000 shares of the common stock of the Company	July 18, 2018 through July 17, 2038
July 2019 issue of share acquisition rights	June 27, 2019	4 Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	210 units	21,000 shares of the common stock of the Company	July 18, 2019 through July 17, 2039
July 2020 issue of share acquisition rights	June 26, 2020	4 Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	210 units	21,000 shares of the common stock of the Company	July 17, 2020 through July 16, 2040
July 2021 issue of share acquisition rights	June 29, 2021	4 Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	230 units	23,000 shares of the common stock of the Company	July 19, 2021 through July 18, 2041
July 2022 issue of share acquisition rights	June 29, 2022	4 Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	65 units	6,500 shares of the common stock of the Company	July 20, 2022 through July 19, 2042
July 2023 issue of share acquisition rights	June 29, 2023	3 Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	37 units	3,700 shares of the common stock of the Company	July 20, 2023 through July 19, 2043

Notes: 1. Main requirements for the exercise of July 2021 issue of share acquisition rights, etc.

a. The holder of the share acquisition rights may exercise his or her rights only within ten (10) days from the day following the forfeiture of all the positions as Director and Operating Officer of the Company.

b. Notwithstanding the above condition a., the holder of the share acquisition rights may exercise his or her share acquisition rights in the case falling under the following items within a period set forth as follows:

1) If the holder of the share acquisition rights does not become entitled to exercise the share acquisition rights within nineteen (19) years and eleven (11) months from the date of resolution for issuance, the holder of share acquisition rights may exercise his or her rights within one (1) month from the day following the day when nineteen (19) years and eleven (11) months have elapsed from the date of resolution for issuance.

2) If a proposal for a merger agreement under which the Company is to be merged as a dissolving company, or a share exchange agreement or a share transfer under which the Company is to become a wholly owned subsidiary is approved at a General Meeting of Shareholders of the Company, the holder of share acquisition rights may exercise his or her rights within ten (10) days from the day following the day when such proposal has been approved.

3) Upon the death of the holder of share acquisition rights, his or her heir (limited to one (1) heir) may exercise the share acquisition rights within three (3) months from the day following the day when the holder passed away.

c. The holder of share acquisition rights may not partially exercise any unit of the share acquisition rights.

d. Share acquisition rights shall be granted without consideration.

e. The value of assets contributed upon the exercise of share acquisition rights shall be ¥1 per share.

f. Any other terms and conditions shall be governed by a "Contract for Allotment of Share Acquisition Rights" entered into between the Company and the Director to whom the share acquisition rights have been allotted in accordance with approval of the General Meeting of Shareholders and resolutions adopted at the Meeting of the Board of Directors.

g. If the holder of share acquisition rights has become unable to exercise the share acquisition rights or if he or she has lost the rights according to the "Contract for Allotment of Share Acquisition Rights," the Company may acquire the relevant share acquisition rights without consideration.

2. The first share acquisition rights issued in July 2007 were granted upon approval at the General Meeting of Shareholders after the end of the fiscal term. However, from the second share acquisition rights issued in July 2007, the form in which the rights were granted changed due to the Rights issued being accounted for as expenses as part of Directors' remuneration.

3. Up until the May 2013 issue, the eligible service period subject to share acquisition rights was each fiscal year. However, effective from the July 2013 issue, the eligible service period subject to share acquisition rights has been revised to "up until the conclusion of the Ordinary General Meeting of Shareholders" pertaining to the fiscal year that ends within one (1) year after the Director's election.

4. The number of shares per share acquisition right was 1,000 up until the July 2018 issue and has been 100 from the July 2019 issue onward.

5. Main requirements for the exercise of issue of share acquisition rights, etc., from July 2022 onward

Two systems have been established based on the following: a Position-based Fixed Plan on the condition of continued work for a certain period of time, and a Performance-based Plan in which the number of share acquisition rights that can be exercised fluctuates depending on the degree of achievement of the target value of performance indicators.

a. The class and the number of shares to be issued or transferred upon exercise of share acquisition rights

The type of the shares to be issued or transferred upon exercise of share acquisition rights shall be common stock of the Company and the number of shares to be issued or transferred upon exercise of each share acquisition right (hereinafter the "Number of Granted Shares") shall be 100. If the Company carries out a share split (including a gratis allotment of shares), share consolidation, etc. for its common stock on or after the date of resolution for this proposal, any adjustment deemed necessary by the Company shall be made to the number of shares above as appropriate.

b. Total number of the share acquisition rights

The upper limit of the number of share acquisition rights to be allotted each fiscal year to Directors (excluding Non-executive Directors including Outside Directors) shall be 500 units, which is the total number of share acquisition rights that are permitted to be allotted to them.

c. Paid-in amount of share acquisition rights

No payment of money is needed in exchange for the allocation of share acquisition rights.

d. Value of assets contributed upon the exercise of share acquisition rights

The paid-in amount per share to be issued or transferred that the holders of such share acquisition rights are entitled to receive by exercising the shares acquisition rights shall be ¥1. The value of the assets contributed upon the exercise of each share acquisition right shall be calculated by multiplying ¥1 by the Number of Granted Shares.

e. Exercisable period for share acquisition rights

To be determined by the Board of Directors of the Company within twenty (20) years from the day immediately following the date of allotment of share acquisition rights.

f. Restrictions on the purchase of share acquisition rights by way of transfer

The approval of the Board of Directors of the Company is required for the purchase of share acquisition rights by way of transfer.

g. Conditions for the purchase of share acquisition rights

If any of the proposals listed below is approved at the General Meeting of Shareholders of the Company (or, if a resolution of the General Meeting of Shareholders is not required, is resolved at the Board of Directors), the Company may purchase the share acquisition rights without consideration on the date to be separately determined by the Board of Directors:

1) Proposal for approval of a split agreement or split plan under which the Company will be the splitting company;
2) Proposal for approval of an amendment to the Articles of Incorporation in order to establish the provision that an acquisition by way of transfer of any of the shares to be issued by the Company shall require the approval of the Company; and
3) Proposal for approval of an amendment to the Articles of Incorporation in order to establish the provision that an acquisition by way of transfer of a class of shares to be issued or transferred upon exercise of share acquisition rights shall require the approval of the Company or that the Company may acquire all of such class of shares upon a resolution of the General Meeting of Shareholders.

h. Conditions for the exercise of share acquisition rights

1) Holders of Share Acquisition Rights may exercise his or her share acquisition rights on or after the day immediately following the day immediately following the forfeiture of all and any positions as Director and Operating Officer of the Company (hereinafter the "Exercise Period Start Date"). However, if the Exercise Period Start Date has not arrived by the date to be separately determined by the Board of Directors of the Company, or if a proposal for a merger agreement under which the Company is to be merged as a dissolving company or a share exchange agreement or a share transfer under which the Company is to become a wholly owned subsidiary is approved at a General Meeting of Shareholders of the Company, share acquisition rights shall be exercisable only during the period to be separately determined by the Board of Directors.
2) The conditions set forth in 1) above shall not apply to those who have acquired the share acquisition rights by way of inheritance.
3) Other conditions for exercising share acquisition rights, such as performance conditions*, shall be determined by the Board of Directors of the Company.

* Under the Performance-based Plan, the exercise of share acquisition rights is subject to performance conditions that the Holder of Share Acquisition Rights may exercise his or her share acquisition rights to the extent of the number of share acquisition rights permitted to be exercised in accordance with the return on equity (ROE) for the fiscal year to which the allotment date belongs. In addition, share acquisition rights for Performance-based Plans which are determined to not meet the conditions for the exercise of such rights shall be extinguished by renunciation.

i Other

Any other terms and conditions shall be governed by a "Contract for Allotment of Share Acquisition Rights" entered into between the Company and the Director to whom the share acquisition rights have been allotted in accordance with approval of the General Meeting of Shareholders and resolutions adopted at the Meeting of the Board of Directors.

(2) Status of the share acquisition rights delivered to Operating Officers and employees during the fiscal year under review

Not applicable

(3) Other important matters concerning the share acquisition rights

Share acquisition rights attached to euro-yen convertible-bond-type bonds with share acquisition rights due 2030

The issuance of euro-yen convertible-bond-type bonds with share acquisition rights due 2030 was resolved at the Company's meeting of the Board of Directors held on October 4, 2023.

Name	Euro-yen convertible-bond-type bonds with share acquisition rights due 2030
Date of resolution for issuance	October 4, 2023
Total number of share acquisition rights	5,000 units
Class, description and number of shares to be issued or transferred upon exercise of share acquisition rights	The class and description of shares to be issued or transferred upon exercise of share acquisition rights shall be common stock of the Company (number of shares per share unit: 100 shares), and the number of shares of the common stock of the Company to be issued by the Company upon the exercise thereof shall be the number calculated by dividing the total nominal amount of the bonds related to the exercise request by the conversion price stated below.
Paid-in amount of share acquisition rights	No payment of money is needed in exchange for the allocation of share acquisition rights.
Description of assets contributed upon the exercise of share acquisition rights	Upon the exercise of each unit of the share acquisition rights, the bonds related to the relevant share acquisition rights shall be contributed, and the value of these bonds shall be the same amount as their nominal amount.
Conversion price	¥4,360
Exercise period of share acquisition rights	From November 6, 2023 (inclusive) to the close of bank business hours (local time of the place receiving exercise request) on October 4, 2030 (inclusive)
Requirement for the exercise of share acquisition rights	Each unit of the share acquisition rights may not be partially exercised.

5. Corporate Officers (as of March 31, 2025)

(1) Name of Directors, etc.

Name	Position and responsibilities	Significant concurrent positions
Katsuya Sase	Representative Director, President and Chief Executive Officer	–
Shoichi Tosaka	Chairperson and Director	–
Tomomitsu Fukuda	Director and Executive Operating Officer, in charge of Management Planning Headquarters	–
Toshiyuki Watanabe	Director and Senior Operating Officer, in charge of Sales Headquarters	–
Masashi Hiraiwa	Outside Director	Attorney of OHHARA LAW OFFICE Director of SAZABY LEAGUE, Ltd.
Seiichi Koike	Outside Director	–
Emiko Hamada	Outside Director	Outside Director of NGK INSULATORS, LTD.
Toshimitsu Honda	Director (Full-time Audit and Supervisory Committee Member)	–
Tomomi Fujita	Outside Director, Audit and Supervisory Committee Member	Partner of Innoventier Outside Director, Audit & Supervisory Committee Member, of TAKUMA CO., LTD.
Tomoko Tsunoda	Outside Director, Audit and Supervisory Committee Member	Representative of Tomoko Tsunoda Certified Public Accountant Office Representative Director of Lumiere Ltd. Outside Audit & Supervisory Board Member of KATITAS Co., Ltd.

Notes: 1. Directors Masashi Hiraiwa, Seiichi Koike, and Emiko Hamada, as well as Directors who are Audit and Supervisory Committee Members Tomomi Fujita and Tomoko Tsunoda are Outside Directors stipulated in Article 2, item (xv), of the Companies Act and registered as Independent Officers with the Tokyo Stock Exchange.

2. Director Masashi Hiraiwa and Director who is an Audit and Supervisory Committee Member Tomomi Fujita are attorneys.

3. Director who is an Audit and Supervisory Committee Member Tomoko Tsunoda has a certified public accountant qualification and has substantial knowledge in finance and accounting.

4. Toshimitsu Honda has been appointed as a Full-time Audit and Supervisory Committee Member in order to collect information by attending important internal meetings and to strengthen the audit and supervisory functions of the Audit and Supervisory Committee through close collaboration with the Internal Audit department, etc.

5. Among companies where significant concurrent positions are held by Outside Directors, those that have business relationships with the Company are as follows.

   - The Company has a business relationship with NGK INSULATORS, LTD., where Director Emiko Hamada has a significant concurrent position, concerning the purchase of ceramic products. However, the size of these transactions is less than 0.3% of the consolidated net sales of the Company.

6. Changes of Directors and Audit & Supervisory Board Members during the fiscal year under review are as follows:

   - Director, Executive Vice President Shinji Masuyama retired upon the expiry of his term at the conclusion of the 83rd Ordinary General Meeting of Shareholders held on June 27, 2024.
   - Director Toshiyuki Watanabe was newly elected at the 83rd Ordinary General Meeting of Shareholders held on June 27, 2024, and assumed position.
   - The Company transitioned to a company with Audit and Supervisory Committee structure upon the conclusion of the 83rd Ordinary General Meeting of Shareholders held on June 27, 2024. In conjunction with this transition, Kazuyuki Oshima, Toshimitsu Honda, Hajime Yoshitake, and Tomomi Fujita retired upon the expiration of their terms of office as Audit & Supervisory Board Members, and Toshimitsu Honda, Tomomi Fujita, and Tomoko Tsunoda were elected and assumed office as Directors who are Audit and Supervisory Committee Members.

(2) Summary of contents of liability limitation agreements

Pursuant to the provisions of Article 427, paragraph (1), of the Companies Act, the Company has established in its Articles of Incorporation the right to enter into agreements with Directors (excluding

those who are Executive Directors) which limit the liability of such Directors for damages described in Article 423, paragraph (1), of the said Act.

The parties to the agreement and the outline of the agreement are provided below.

Parties concerned	Overview of agreement
Outside Director Masashi Hiraiwa Outside Director Seiichi Koike Outside Director Emiko Hamada Director who is an Audit and Supervisory Committee Member Toshimitsu Honda Outside Director who is an Audit and Supervisory Committee Member Tomomi Fujita Outside Director who is an Audit and Supervisory Committee Member Tomoko Tsunoda	The Director shall be liable to the Company for damages caused in relation to a failure to perform his or her duty up to the minimum amount prescribed in the provision of Article 425, paragraph (1) of the Companies Act, as long as the Director performs his or her duty in good faith and without gross negligence.

(3) Summary of contents of indemnity agreements

Not applicable

(4) Summary of contents of officers' liability insurance contract

The Company has entered into an officers' liability insurance contract prescribed in Article 430-3, paragraph (1) of the Companies Act with an insurance company, under which Directors, Audit & Supervisory Board Members, Operating Officers and others of the Company and its subsidiaries are insured persons. The Company and its subsidiaries bear the full amount insurance expenses on behalf of the insured persons.

This insurance contract is designed to reimburse any compensation for damage and litigation costs incurred by the insured persons who have assumed liability for damages based on an act engaged by them in their business. However, the contract is subject to certain exemptions from liability to prevent the appropriateness of the execution of duties by the insured persons from being impaired. For example, any such damage as described above will not be reimbursed if it has arisen from an act engaged by an insured person while he or she knew that it was a violation of laws and/or regulations.

(5) Outside Directors

i) Relationship between the Company and other organizations where significant concurrent positions are held

As described above in "(1) Name of Directors, etc."

ii) Kinship with an executive or an officer of the Company or its specially designated companies

Not applicable

iii) Main activities of Outside Directors in the fiscal year under review

Classification, Name	Attendance (number of meetings attended / number of meetings held)			Main activities and outline of duties executed in relation to roles expected
	Board of Directors	Audit & Supervisory Board / Audit and Supervisory Committee	Nomination Committee / Remuneration Committee	
Director Masashi Hiraiwa	100% (17/17)	–	Nomination 100% (6/6) Remuneration 100% (5/5)	At meetings of the Board of Directors, he provides valuable advice and suggestions on overall management, including internal controls, the governance framework, and compliance with laws and regulations, primarily from his professional perspective as an attorney. In conjunction with changes to the institutional design of the Board of Directors, he has expressed opinions aligned with effective governance practices and has fulfilled his management supervision with a strong sense of ethics, playing an appropriate role in ensuring the validity and appropriateness of decision-making. He also serves as Chairperson of the Nomination Committee and as a member of the Remuneration Committee, bearing the supervisory function in the process of selecting corporate officer candidates of the Company and determining the remuneration for directors (and other officers) from an objective and impartial standpoint.
Director Seiichi Koike	100% (17/17)	–	Nomination 83% (5/6) Remuneration 80% (4/5)	At meetings of the Board of Directors, he provides valuable advice and suggestions regarding overall management, such as reflecting his wide-ranging expertise from an investor's perspective, in the management of the Company, primarily based on his experience in corporate management in the automotive components industry and as an Audit & Supervisory Board Member. He plays an appropriate role in ensuring the validity and appropriateness of decision-making by offering opinions on business execution from the perspective of enhancing medium- to long-term profitability as well as pursuing progress in terms of technology and quality. He also serves as Chairperson of the Remuneration Committee and as a member of the Nomination Committee, bearing the supervisory function in the process of selecting corporate officer candidates of the Company and determining the remuneration for directors (and other officers) from an objective and impartial standpoint.

Classification, Name	Attendance (number of meetings attended / number of meetings held)			Main activities and outline of duties executed in relation to roles expected
	Board of Directors	Audit & Supervisory Board / Audit and Supervisory Committee	Nomination Committee / Remuneration Committee	
Director Emiko Hamada	100% (17/17)	–	Nomination 100% (6/6) Remuneration 100% (5/5)	At meetings of the Board of Directors, she provides suggestions of business execution and management supervision, primarily drawing on her experience in industry-academia-government collaborations and as an Outside Director at another company. She plays an appropriate role in ensuring the validity and appropriateness of decision-making by offering opinions on matters such as the use of human resources and the promotion of diversity and inclusion. She also serves as a member of the Nomination Committee and the Remuneration Committee, bearing the supervisory function in the process of selecting corporate officer candidates of the Company and determining the remuneration for directors (and other officers) from an objective and impartial standpoint.
Director, Audit and Supervisory Committee Member Tomomi Fujita	100% (17/17)	Audit & Supervisory Board 100% (6/6)	Nomination 100% (2/2)	At meetings of the Board of Directors, the Audit & Supervisory Board, and the Audit and Supervisory Committee, she plays an appropriate role in ensuring the validity and appropriateness of decision-making as well as the effectiveness of audit and supervisory functions by providing valuable advice and suggestions on overall management, including governance systems and compliance, based on her professional expertise and deep insight as an attorney. In addition, she ensures the proper and effective operation of the Audit and Supervisory Committee in her role as Chairperson.
		Audit and Supervisory Committee 100% (14/14)	–	
Director, Audit and Supervisory Committee Member Tomoko Tsunoda	100% (13/13)	Audit and Supervisory Committee 100% (14/14)	–	At meetings of the Board of Directors and the Audit and Supervisory Committee, she plays an appropriate role in ensuring the validity and appropriateness of decision-making as well as the effectiveness of audit and supervisory functions by providing advice from an investor's perspective and suggestions on management strategy, based on her expertise as a certified public accountant and her extensive experience and insight as a business executive.

Notes: 1. The Company transitioned to a company with Audit and Supervisory Committee upon the conclusion of the 83rd Ordinary General Meeting of Shareholders held on June 27, 2024.

2. The members of the Nomination Committee and the Remuneration Committee changed on June 27, 2024. One (1) Audit and Supervisory Committee Member, designated by the Audit and Supervisory Committee for audit purposes, attends meetings of both the Nomination Committee and the Remuneration Committee.

3. With regard to Ms. Tomomi Fujita, Director, Audit and Supervisory Committee Member, she attended four (4) meetings of the Board of Directors, six (6) meetings of the Audit & Supervisory Board, and two (2) meetings of

the Nomination Committee as an Audit & Supervisory Board Member prior to the transition to a company with Audit and Supervisory Committee.

4. With regard to Ms. Tomoko Tsunoda, Director, Audit and Supervisory Committee Member, her attendance record is provided for the period following her appointment on June 27, 2024.

(6) Remuneration paid to Directors and Audit & Supervisory Board Members

At its meeting held on February 29, 2024, the Board of Directors of the Company passed a resolution on the policy to determine the contents of remuneration paid to each Director. The Board of Directors sought and received advice from the Remuneration Committee before passing this resolution. Note that this policy has been in effect since the conclusion of the 83rd Ordinary General Meeting of Shareholders held on June 27, 2024.

i) Policy to determine the contents of remuneration paid to each Director

1. Basic policy

The remuneration plans for directors (and other officers) of the Company shall be designed to raise motivation for the achievement of the goals for the economic value and social value of the Medium-term Management Plan in accordance with the following basic principles.

(1) Remuneration plans shall emphasize the linkage with remuneration and the Group's sustainable growth and medium- to long-term corporate value, and be designed to share the same value with shareholders.

(2) Remuneration shall be set at levels that can attract and retain excellent human resources with global perspective.

(3) The process to determine remuneration shall be highly transparent and objective.

2. How to determine remuneration levels

Remuneration levels shall be determined by selecting a group of benchmark companies using objective remuneration for directors (and other officers) survey data provided by external expert organizations in order to ensure that they are sufficient to motivate the achievement of the goals of the Medium-term Management Plan and to enable the Company to secure excellent human resources.

3. Remuneration structure by position

(1) Executive Directors

"Basic remuneration," "performance-based bonuses" as incentive for the execution of business, and "stock remuneration" will be paid with the objective of encouraging management that emphasizes the continuing improvement of corporate value.

(2) Non-executive Directors who are not Audit and Supervisory Committee Members

In consideration of their position as independent from the execution of business, only basic remuneration will be paid.

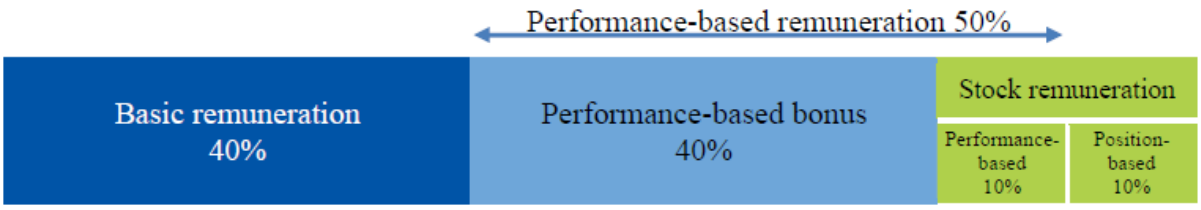
(3) Directors who are Audit and Supervisory Committee Members:

In consideration of their position as independent from the execution of business, only basic remuneration will be paid.

4. Composition of remuneration

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. Consolidated profit will be used as the relevant performance indicator to establish a clearer linkage between remuneration and factors contributing to the enhancement of corporate value and shareholder value. The standard amount of remuneration shall be designed to fluctuate based on the consolidated profit for the fiscal year under review in a manner that the ratio of basic remuneration to performance-based bonus is 1:1 when the goal of the Medium-term Management Plan is achieved. The actual amount to be paid shall be determined by multiplying the standard amount to be paid by the co-efficient (75% to 125%) as calculated from the level of performance of the business the applicable officer is in charge of, the level of achievement of the social value goal in the Medium-term Management Plan, and individual evaluation.	Variable
Stock remuneration	Restricted stock remuneration by position	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 set for each position. The restrictions shall be released upon the forfeiture of all and any positions as Director and Operating Officer of the Company.	Fixed
	Performance-based post-delivery restricted stock remuneration	Restricted stock as calculated in accordance with the level of achievement of the return on equity (ROE) in the Medium-term Management Plan will be issued at the end of each fiscal year. The amount will vary within the range of 0% to 300% against the standard amount for each position, based on the level of achievement of consolidated ROE. The restrictions shall be released upon the forfeiture of all and any positions as Director and Operating Officer of the Company.	Variable

Composition of remuneration for Executive Directors (as per design)



* The designed value set under the assumption that the level of achievement of the Medium-term Management Plan is 100%.

5. Process to determine remuneration

In order to ensure the transparency, objectivity and fairness of the process to determine remuneration for directors (and other officers), the Remuneration Committee, which is an advisory panel to the Board of Directors, deliberates and reports on matters pertaining to remuneration for Officers such as basic remuneration policy, plans, calculation methods, and specific remuneration content of individual Officers.

Within the limit of remuneration resolved at the General Meeting of Shareholders, specific remuneration of Directors is deliberated on an individual basis by the Remuneration Committee based on the amounts of remuneration calculated based on the relevant rules and regulations established by the Company and are determined by the Board of Directors based on the deliberation results of the Remuneration Committee. It should be noted that remuneration for Directors who are Audit and Supervisory Committee Members shall be determined upon consultation with Directors who are Audit and Supervisory Committee Members.

ii) Reason for which the Board of Directors determined that the contents of remuneration paid to each Director for the fiscal year under review were consistent with the determination policy

The Company determined the content of individual remuneration from diverse perspectives in accordance with the policy outlined above, taking into account the advice of the Remuneration Committee. For this reason, the Company determined that the contents of remuneration paid to each Director were consistent with the policy outlined above.

iii) Matters concerning the resolution of the General Meeting of Shareholders on remuneration

Relevant officers	Type of remuneration	Outline of the relevant resolution	Date of resolution by General Meeting of Shareholders	Number of relevant officers
Directors (excluding Directors who are Audit and Supervisory Committee Members):	Cash	¥500 million or less per year (including ¥40 million or less to Outside Directors)	83rd Ordinary General Meeting of Shareholders held on June 27, 2024	7 (including 3 Outside Directors)
Directors who are Audit and Supervisory Committee Members:	Cash	¥8 million or less per month	83rd Ordinary General Meeting of Shareholders held on June 27, 2024	3 (including 2 Outside Directors)
Directors (excluding Directors who are Audit and Supervisory Committee Members and Non-executive Directors including Outside Directors)	Stock remuneration	Restricted stock remuneration by position ・¥50 million or less per year ・Up to 12,500 shares of the common stock of the Company	83rd Ordinary General Meeting of Shareholders held on June 27, 2024	3
		Performance-based post-delivery restricted stock remuneration ・¥150 million or less per year ・Up to 37,500 shares of the common stock of the Company		

iv) Total remuneration paid to Directors and Audit & Supervisory Board Members for the fiscal year under review

Business terms	Total amount of remuneration		Basic remuneration		Performance-based bonus		Stock compensation-type stock options		Restricted stock remuneration			
									by position		Performance-based post-delivery issuance type	
	Number of persons	Total (Millions of yen)	Number of persons	Total (Millions of yen)	Number of persons	Total (Millions of yen)	Number of persons	Total (Millions of yen)	Number of persons	Total (Millions of yen)	Number of persons	Total (Millions of yen)
Director	8	226	8	198	4	4	3	4	3	19	3	0
(Of which Outside Directors)	(3)	(38)	(3)	(38)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)
Directors who are Audit and Supervisory Committee Members:	3	37	3	37	–	–	–	–	–	–	–	–
(Of which Outside Directors)	(2)	(18)	(2)	(18)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)
Audit & Supervisory Board Members	4	22	4	22	–	–	–	–	–	–	–	–
(Of which Outside Audit & Supervisory Board Members)	(2)	(9)	(2)	(9)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)
Total	15	286	15	258	4	4	3	4	3	19	3	0

Notes: 1. The “Number of persons” refers to the number of persons subject to remuneration for the fiscal year under review, not the number of persons in office.

2. Figures are rounded down to the nearest million yen.

3. The Company transitioned to a company with Audit and Supervisory Committee structure upon the conclusion of the 83rd Ordinary General Meeting of Shareholders held on June 27, 2024. The remuneration for Audit & Supervisory Board Members relates to the period prior to the transition, while the remuneration for Directors who are Audit and Supervisory Committee Members relates to the period after the transition.

(v) Calculation method for performance-based remuneration with the current fiscal year as the evaluation period, and the results of the evaluation indicators

1) Performance-based bonus

Consolidated profit will be used as the relevant performance indicator to establish a clearer linkage between remuneration and factors contributing to the enhancement of corporate value and shareholder value. The standard amount of remuneration shall be designed to fluctuate based on the consolidated profit for the fiscal year under review in a manner that the ratio of basic remuneration to performance-based bonus is 1:1 when the goal of the Medium-term Management Plan is achieved. The actual amount to be paid shall be determined by multiplying the standard amount to be paid by the co-efficient (75% to 125%) as calculated from the level of performance of the business the applicable officer is in charge of, the level of achievement of the social value goal in the Medium-term Management Plan, and individual evaluation.

The results of the evaluation indicators for the performance-based bonus with the current fiscal year as the evaluation period are as shown below.

Evaluation indicator	Results
Consolidated profit	¥2,328 million
GHG emissions reduction rate (compared with FY2020)	20.9% reduction
Accident frequency rate*1	0.13
Work engagement*2	2.28

*1 Number of victims requiring one or more days off due to workplace accident per 1 million labor hours

*2 Represents the state of mind of employees regarding work, which is measured on a four-point scale for employees

2) Performance-based post-delivery restricted stock remuneration

The amount is calculated in accordance with the level of achievement of the return on equity (ROE) in the Medium-term Management Plan. The amount fluctuates within the range of 0% to 300% of the standard amount set for each position.

The results of the evaluation indicators for the performance-based post-delivery issuance type remuneration with the current fiscal year as the evaluation period are as shown below.

Evaluation indicator	Results
ROE	0.7%

(7) Other important matters concerning Corporate Officers

Not applicable

6. Accounting Auditors

(1) Name of Accounting Auditors

KPMG AZSA LLC

(2) Amount of remuneration paid or payable to Accounting Auditors for the fiscal year under review

Business terms	Amount of remuneration (Millions of yen)
i) Remuneration payable to the Accounting Auditors by the Company	82
ii) Total amount of money or other property benefits payable to the Accounting Auditor by the Company and its subsidiaries	122

Notes: 1. The Audit Contract between the Company and the Accounting Auditors does not separate the remuneration for audit under the Companies Act from the remuneration for audit under the Financial Instruments and Exchange Act. Accordingly, the amount of i) described above represents the total amount of these remunerations.

2. Certified public accountants or auditing firms other than KPMG AZSA LLC are in charge of auditing the principal foreign subsidiaries of the Company.

3. In addition to amounts stated above, the amount of remuneration payable to the Accounting Auditors by the Company includes ¥2 million as an amount of additional remuneration related to the previous fiscal year.

(3) Reasons for the accord of the Audit and Supervisory Committee regarding the amount of remuneration paid or payable to Accounting Auditors

The Audit and Supervisory Committee has given an accord, which is described in Article 399 of the Companies Act, as a result of studying whether the amount of remuneration for the audit paid or payable to Accounting Auditors is at a reasonable level in view of the corporate scale, complexity and risks of the Company.

(4) Non-audit services

The Company has paid consideration to KPMG AZSA LLC for its advice and guidance on responding to the Corporate Sustainability Reporting Directive (CSRD), which is among the services other than those prescribed in Article 2, paragraph (1) of the Certified Public Accountants Act (non-audit services).

(5) Policy for determining the dismissal or non-reappointment of Accounting Auditors

If the Audit and Supervisory Committee determines that the Accounting Auditor has become applicable under any of the items set forth in Article 340, paragraph (1) of the Companies Act, the Accounting Auditor shall be dismissed based on the consent of all Audit and Supervisory Committee Members. In addition, if it can be recognized that the Accounting Auditor has become unable to properly perform its duties, the Audit and Supervisory Committee shall decide on the content of proposals to be submitted to a General Shareholders' Meeting regarding the dismissal or non-reappointment of the Accounting Auditor.

(6) Matters concerning existing suspension of business

Not applicable

(7) Matters concerning suspensions of business over the last two (2) years that the Company deems should be included in the Business Report

Not applicable

(8) Summary of contents of Liability Limitation Agreements

Not applicable

(9) Summary of contents of indemnity agreements

Not applicable

(10) Matters concerning names and other information of Accounting Auditors who resigned or were dismissed during the fiscal year under review

Not applicable

7. Summary of the Resolution for the Systems for Ensuring Appropriate Business Operations and Status of Their Operation

A summary of the resolution made at a meeting of the Board of Directors for systems for the Company to ensure appropriate business operations and the status of their operation are as follows. It should be noted that in conjunction with the Company's transition to a company with Audit and Supervisory Committee structure as of June 27, 2024, the basic policy concerning the internal control system development has been revised.

Basic Policy Concerning the Internal Control System Development

1. System for ensuring that Directors and employees of the Company and its subsidiaries of the Company (hereinafter referred to as "the Group") perform their duties in accordance with laws, regulations and the Articles of Incorporation of said subsidiary

   (1) As part of its social responsibilities and in order to comply with all laws and regulations governing the execution of business, the Company's Articles of Incorporation, various rules and regulations, international agreements, and ethical norms, the Group shall establish the "CSR Charter (TAIYO YUDEN Group's Charter on Social Responsibility)," formulate the "CSR Code of Conduct" as specific guidelines for behavior under this charter, and operate internal controls to ensure thorough compliance with said charter and code.

   (2) An Internal Control Committee shall be established as a system to promote the Group's compliance activities. The committee shall designate a responsible person for each of the items set forth in the "TAIYO YUDEN Group CSR Code of Conduct" and conduct compliance activities on an ongoing basis in accordance with the compliance management system.

   (3) In order to detect and resolve issues such as violations of laws, regulations, or internal regulations at an early stage, the Group shall establish a whistleblower system that enables reports to be made directly through both internal and external channels, and also establish a framework to ensure whistleblowers shall not be unfavorably treated.

   (4) Multiple independent Outside Directors shall be appointed to raise the objectiveness, neutrality, and transparency of the function for supervising the execution of business by the Board of Directors, which supervises the execution of duties by each Director and verifies compliance with laws, regulations and the Articles of Incorporation.

   (5) An internal control system shall be established and operated to ensure the appropriateness and trustworthiness of financial reporting.

   (6) Corporate information concerning the Group shall be disclosed fairly and appropriately.

   (7) The Group shall take a firm and uncompromising stance on an organizational basis against anti-social forces or groups.

2. System for the storage and management of information with regard to the execution of duties by Directors of the Group

   (1) Minutes of important meetings of the Board of Directors and other bodies, as well as approval documents made by each Director based on rules for approval and information concerning the execution of duties by Directors shall be recorded in the form of documents or electromagnetic media and stored appropriately in accordance with laws, regulations, and internal rules.

   (2) In accordance with internal rules, Directors of the Company shall ensure that documents or electromagnetic media containing said information are always available for viewing.

   (3) The Company shall prevent any leaks or illicit usage of information by establishing a system for the appropriate storage and management of said information and by informing and educating Group officers and employees through the provision of materials on information security.

3. Rules for managing risks of loss of the Group and other systems

(1) An Internal Control Committee shall be established as a system to promote the Group's risk management activities. The committee shall designate a responsible person for each risk category. Risk management activities, which consist of risk identification, evaluation of risk levels, decision and execution of risk countermeasures and monitoring/review of the status of implemented countermeasures, shall be continuously performed as per the Group risk management system.

(2) The Company shall establish "Group Business Continuity Regulation" to anticipate the effects on business activities that could result from the occurrence of risks, including natural disasters, and to determine the possible formation of an emergency task force depending on the scale of expected adverse effects and take preventive measures in advance during normal circumstances. In case a business continuity problem arises, the Company shall establish a BCP (Business Continuity Plan) and take Group-wide countermeasures to enable the early resumption of business activities.

4. System for ensuring the duties of Directors of the Group are efficiently performed

(1) The Company shall adopt an Operating Officers system with the aim of making management more efficient by delegating authority for business execution to Operating Officers and separating management decision making and supervisory functions from business execution functions.

(2) The Board of Directors shall determine important matters such as basic policies concerning management, including the Group's internal control system, and business strategy, and it shall supervise the appointment and dismissal of Operating Officers, as well as the execution of business by said officers.

(3) In order to make decision making and the execution of business by Directors more efficient, the Company shall establish a collegial body comprising Operating Officers to deliberate on important matters regarding the execution of business operations and personnel affairs.

(4) In order to ensure appropriate decision making by Directors, the Company shall formulate and implement internal regulations concerning the responsibilities and jurisdiction of each organization and position.

(5) In regard to the execution of business at subsidiaries, "Group Management Rules" which clarify the jurisdiction and decision-making process of subsidiaries shall be established with the aim of making Group management more transparent and efficient.

5. System for ensuring appropriate business operations within the TAIYO YUDEN Group

(1) The status of the business executed at subsidiaries shall be reported as per the "Group Management Rules" to encourage the sharing of information with relevant departments of the Company.

(2) The Company shall strive to understand the management circumstances of its subsidiaries by dispatching some of its employees to serve as Directors and Audit & Supervisory Board Members of the relevant subsidiaries.

(3) The Internal Audit Office of the Company monitors whether business operations of subsidiaries are conducted appropriately and efficiently from an independent standpoint. The monitoring results shall be provided appropriately as feedback to the relevant subsidiaries and to the President and Chief Executive Officer of the Company. The Internal Audit Office shall also cooperate with the Audit and Supervisory Committee of the Company.

6. Matters regarding Directors and employees appointed to support the operation of the Audit and Supervisory Committee of the Company, matters regarding the independence of said Directors and employees from Directors (excluding Directors who are Audit and Supervisory Committee Members), and matters to ensure the effectiveness of directions given to said Directors and employees

   (1) The Company shall establish the Audit and Supervisory Committee Secretariat to support the operation of the Audit and Supervisory Committee. It shall appoint employees to support the operation of the Audit and Supervisory Committee and ensure that said employees receive the authority required to carry out investigations, a framework for cooperating with each department is in place, and other such matters.

   (2) Human resources and organizational decisions concerning employees appointed to support the operation of the Audit and Supervisory Committee shall require the consent of the Audit and Supervisory Committee and said employees shall carry out duties under the direction of the Audit and Supervisory Committee.

7. System for reporting to the Audit and Supervisory Committee of the Company

   (1) Directors and employees of the Group, if any of them recognize a fact that violates any laws, regulations, the Articles of Incorporation and/or internal regulations, or a considerably improper fact that could be such a violating fact, or a fact that is feared to cause significant damage to the Company, shall immediately report thereof to the Audit and Supervisory Committee.

   (2) A whistleblower system shall be established that enables officers and employees of the Group to report directly to the Audit and Supervisory Committee. The status of this system shall be regularly reported to the Audit and Supervisory Committee.

   (3) A framework shall be established to ensure whistleblowers using said system are not unfavorably treated.

8. Other systems for ensuring effective auditing by the Audit and Supervisory Committee of the Company

   (1) The Company shall create a system that allows Audit and Supervisory Committee Members to participate in important meetings on managerial matters and audit the decision making of Directors, as well as the execution of duties by Directors.

   (2) The Company shall create a system that allows the Audit and Supervisory Committee to collect information in a timely manner that is necessary for its audits through communication with Directors and employees, and also request, as necessary, reports therefrom regarding the execution of their duties and inspect the relevant documents.

   (3) The Company shall create a system that allows the Audit and Supervisory Committee to periodically exchange information with the Internal Audit Office, and take close cooperation therewith.

   (4) The Company shall create a system that allows the Audit and Supervisory Committee to periodically, or on an as-needed basis, exchange information with the Accounting Auditor, and request reporting therefrom, as necessary.

   (5) Directors who are not Audit and Supervisory Committee Members shall strive to exchange information with the Audit and Supervisory Committee.

   (6) The Company shall pay for expenses that derive from the execution of duties by the Audit and Supervisory Committee except in cases where it is recognized that such expenses are not necessary for the execution of duties by the Audit and Supervisory Committee.

Summary of the status of operation

1. Compliance and risk management

   The Compliance Subcommittee and the Risk Management Subcommittee have been established under the Internal Control Committee, which is chaired by the Representative Director, President and Chief Executive Officer, in order to oversee and promote compliance and risk management activities across the entire Group. For compliance, a responsible executive officer for each item of the "CSR Code of Conduct" is assigned to conduct cross-Group rule development, maintenance, education, and monitoring. Furthermore, the Group's risk management is based on control activities by the business unit organizations, with each department at the head office providing support in education, standardization, and monitoring.

2. Execution of Duties by Directors

   In conjunction with the transition to a company with Audit and Supervisory Committee, authority has been delegated from the Board of Directors to the Executive Directors. In addition, an Operating Officers system has been established in order to clarify the roles of supervision and business execution. Based on the management policies and strategies determined by the Board of Directors, matters deliberated at the Management Committee and TM (Top Management) Meeting are executed by the responsible operating officers under the direction of the Representative Director, President and Chief Executive Officer. Important information related to the execution of duties of directors is properly stored and managed in written or electronic form in accordance with applicable laws and meeting rules.

3. Internal control of subsidiaries

   Decision-making at subsidiaries and reports to the parent company are carried out in a standardized manner based on the "Group Management Rules." In regard to compliance and risk management, an Internal Control Committee has been established at each subsidiary, and these committees are overseen by various related collegial bodies and organizations. In addition, the internal control department at the head office conducts educational and monitoring activities for all subsidiaries within a framework of group-wide centralized control.

4. Internal auditing

   The Internal Audit Office is an organization for which independence has been ensured and that conducts legal compliance as well as risk-based internal audits throughout the organizations within the Group. Through these activities, the Internal Audit Office verifies whether the operations of the Group are being properly conducted and monitors the development and operational status of the necessary systems for this. Internal audit activities are conducted in coordination with accounting cooperation and the Audit and Supervisory Committee. The results of internal audits are reported to the Representative Director, President and Chief Executive Officer, the Board of Directors, as well as the Audit and Supervisory Committee.

5. Audit and Supervisory Committee

   In addition to attending important meetings related to management and the internal control system, Audit and Supervisory Committee Members may view and verify the content of important meeting materials and other information necessary for auditing the execution of duties of Directors. In addition, they collect information by attending meetings of the Audit & Supervisory Board Members' Liaison Committee, which is composed of subsidiary Audit & Supervisory Board Members, exchanging opinions with Directors, and conducting interviews with employees. Furthermore, the Audit and Supervisory Committee regularly and as necessary exchanges opinions with the Accounting Auditors and the Internal Audit Office, endeavoring to enhance the effectiveness of each respective audit.

In order to assist the Audit and Supervisory Committee in the performance of its duties, the Company has established an Audit and Supervisory Committee Secretariat and has assigned dedicated staff members who have been granted the necessary investigative authority. These staff members perform their duties based on the direction and supervision of the Audit and Supervisory Committee, and personnel and organizational matters relating to such staff members are subject to the consent of the Audit and Supervisory Committee.

Under the group-wide whistleblower system, a mechanism is in place that allows for direct reporting to the Audit and Supervisory Committee. In addition, no disadvantageous treatment is given to whistleblowers. The status of whistleblowing is reported to both the Internal Control Committee and the Audit and Supervisory Committee.

8. Basic Policy on the Control over the Company

(1) Basic policy

The shares of the Company are in principle freely tradable, and are traded freely and actively on markets by numerous investors. Therefore, the Company believes that the persons to control decision-making over the financial and business policies of the Company should be decided through free trading in the shares of the Company, and that the final decision as to whether to accept a purchase offer for shares in a volume that will enable the purchaser to control decision-making over the financial and business policies of the Company should be made based on the free will of all shareholders.

Meanwhile, the Company believes that persons who control decision-making over the financial and business policies of the Company must be able to maintain trust relationships among various stakeholders such as shareholders, and protect and enhance the corporate value of the Company and the common interests of the shareholders over the mid-to-long term.

Therefore, the Company believes that persons who make inappropriate large-scale purchase offers or perform similar actions that may harm the corporate value of the Company or common interests of the shareholders are not suited to control decision-making over the financial and business policies of the Company. In the case that such persons make large-scale purchase offers of the Company's stock, the Company will try to disclose information in a proper and timely manner and take actions which are appropriate at that point in time, aiming at ensuring and improving the common interests of the shareholders.

(2) Efforts to realize the basic policy

The Company believes that ensuring management is practiced from the shareholders' perspective by consistently executing the Mid-term Management Plan and strengthening corporate governance will protect and enhance the Company's value and the common interests of shareholders. Thus, the Company is implementing the efforts listed in the Business Report attached to the Notice of Convocation of the 84th Ordinary General Meeting of Shareholders.

(3) Judgments and reasoning of the Board of Directors of the Company for specific initiatives

Each initiative described in (2) above is in line with the corporate values of the Company and the common interests of its shareholders, in accordance with the basic policy described in (1) above, and is not intended to maintain the position of Corporate Officers of the Company.

[Reference] **Corporate Governance** (as of March 31, 2025)

Corporate Governance https://www.yuden.co.jp/en/ir/governance/

1. Basic Views on Corporate Governance

   The TAIYO YUDEN Group (the "Group") is committed to corporate social responsibilities and the mission of management to develop businesses on an ongoing basis while fulfilling sociality, public interest and public nature of the Group from a global viewpoint to put into practice and realize "Mission," "Management philosophy" and "Vision."

   With an emphasis on transparency and fairness of corporate management, the Company is making efforts to enhance corporate governance under the supervision of the Board of Directors, including the development of structures and mechanisms that enable timely and appropriate information disclosure, thorough compliance, and speedy decision making and execution of duties.

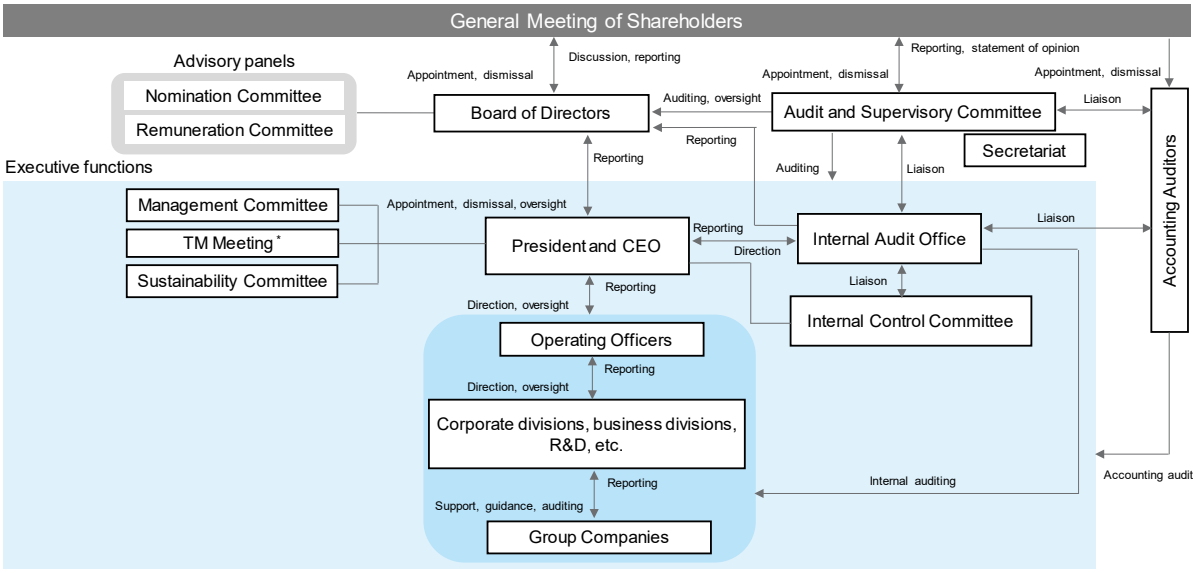
2. Corporate governance structure

   The Company has adopted the Company with an Audit and Supervisory Committee structure in order to strengthen strategy formulation and its supervisory function, while at the same time raising the agility of business execution. The Company intends to promote the delegation of authority to Executive Directors in relation to decisions on important matters of business execution, and to expedite and streamline such decisions, while strengthening the supervisory function by granting Directors who are Audit and Supervisory Committee Members the right to vote at meetings of the Board of Directors. In these ways, the Company aims to strengthen and enhance its corporate governance structure and internal control system, thereby further improving corporate value.

   Furthermore, the Company has voluntarily established a Nomination Committee and Remuneration Committee in order to strengthen the fairness, transparency, and objectivity with regard to the nomination and remuneration of Directors, and to ensure the independence and accountability of functions of the Board of Directors.

   In addition, to clarify management responsibilities during a given fiscal year and increase shareholders' confidence, the term of Directors who are not Audit and Supervisory Committee Members is one (1) year.

Governance Structure



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

Board of Directors

The Board of Directors, presided over by the Chairperson and Director, consists of 10 members, including five Outside Directors. The Board formulates legal matters, management strategies and other basic policies, receives reports on matters delegated to executive directors, and supervises the execution of business operations. The Board also maintains an internal control system to promote compliance and manage risks.

Audit and Supervisory Committee

The Audit and Supervisory Committee, presided over by an Outside Director, consists of three members, including two Outside Directors. The Directors who are Audit and Supervisory Committee Members attend the Nomination Committee, the Remuneration Committee and other important internal meetings while also working closely with the Accounting Auditors, the Internal Audit Office, and the Audit and Supervisory Board of Group companies to ensure highly effective auditing.

Nomination Committee

The Nomination Committee, presided over by an Independent Outside Director, consists of all the Independent Outside Directors who are not Audit and Supervisory Committee Members, along with the Representative Director, President and Chief Executive Officer. For auditing purposes, one member appointed by the Audit and Supervisory Committee attends the Nomination Committee's meetings. The Committee deliberates on the nomination 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 Remuneration Committee, presided over by an Independent Outside Director, consists of all the Independent Outside Directors who are not Audit and Supervisory Committee Members, along with the Representative Director, President and Chief Executive Officer. For auditing purposes, one member appointed by the Audit and Supervisory Committee attends the Remuneration Committee's meetings. The Committee deliberates on remuneration plans for Directors and Operating Officers as well as the contents of remuneration paid to each Director, and it then reports the deliberation results to the Board of Directors.

Management Committee

The Management Committee, presided over by the President and Chief Executive Officer, is composed of all Operating Officers. Non-executive Directors attend the Committee's meetings as observers. 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

The TM Meeting, presided over by the President and Chief Executive Officer, is composed of Executive Directors and the Operating Officers who are Chiefs of Headquarters. For auditing purposes, one member appointed by the Audit and Supervisory Committee attends the Meetings. The Meeting deliberates on matters concerning personnel, organization and remuneration of the Group, and it then resolves matters delegated by the Board of Directors.

Internal Control Committee

The Internal Control Committee, presided over by the Representative Director, President and Chief Executive Officer, consists of Executive Directors. The Non-executive Directors, the Operating Officers

who are Chiefs of Headquarters, and the head of the Internal Audit Office attend the Committee meetings as observers. Based on the "Basic Policy Concerning the Internal Control System Development," the Committee works to improve the internal control system on an ongoing basis and examines and evaluates the design and the operating effectiveness of the system to report the evaluation results to the Board of Directors.

Sustainability Committee

The Sustainability Committee, presided over by the President and Chief Executive Officer, consists of the Operating Officers who are Chiefs of Headquarters and the Operating Officer in charge of sustainability. In addition, Directors who are not members attend the Committee's meetings as observers. 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.

Status of activities of the Board of Directors

Matters to be submitted to the Board of Directors are determined in the Regulations of the Board of Directors, and are appropriately deliberated and resolved. The Board of Directors regularly deliberates on, among others, reporting in the Management Committee and the TM Meeting, management reports by Executive Directors, reports from Executive Directors and Operating Officers for their areas of responsibility, and the issues identified in the evaluation of the effectiveness of the Board of Directors.

Main Deliberation Topics for the Current Fiscal Year

Board of Directors 17 meetings held	Governance	・ Transition to a Company with Audit and Supervisory Committee ・ Appropriate delegation of authority to Executive Directors in conjunction with the change in institutional design ・ Appointment of candidate Directors, etc. ・ Conducting an evaluation of the effectiveness of the Board of Directors and determining countermeasures for issues from the previous fiscal year
	Management strategy	・ Deliberation on business strategies and capital investments, etc., based on 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

Status of activities of advisory panels

To strengthen transparency and objectivity in the appointment and remunerations of Directors, we have established voluntary Nomination and Remuneration Committees. The majority of both committees are Independent Outside Directors (excluding Audit and Supervisory Committee Members).

Main Deliberation Topics for the Current Fiscal Year

Nomination Committee 6 meetings held	・ Proposed revisions to the Regulations of the Nomination Committee, Operating Officer Regulations, and Director Appointment Regulations ・ Deliberation regarding concurrent service of outside Directors as officers of other corporations ・ Direction for the formulation of the President succession plan and proposed revisions to the skills matrix for officers
Remuneration Committee 5 meetings held	・ Deliberation regarding content of remuneration of individual Directors and Operating Officers. ・ Proposed amendments to the Director Remuneration Regulations, Regulations of the Remuneration Committee, Operating Officer Remuneration Regulations ・ Deliberation on the Shareholding Guidelines for Directors ・ Deliberation on measures to transition unexercised share acquisition rights to restricted stock

3. 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 the current fiscal year are as follows.

(1) Evaluation process

i) Consider the evaluation methods and questionnaire content for the current fiscal year, based on the suggestions and advice of the external evaluation agency, and report to the Board of Directors.

ii) The external evaluation agency conducts a (anonymous) questionnaire to evaluate the effectiveness of all Directors.

iii) The external evaluation agency compiles and analyzes the results of the questionnaire described in ii) above, extracts issues and opinions that may require discussion, and reports them.

iv) Evaluation meetings were conducted by all Directors based on the results of the questionnaire in iii) above.

v) Discussed opinions and issues that come up in the evaluation meetings by the Board of Directors, and determined any issues to be addressed.

(2) Evaluation (Questionnaire) items

i) Composition and operation of the Board of Directors

ii) Management strategy and management plan

iii) Corporate ethics and risk management

iv) Supervision of nomination and remuneration

v) Dialogue with shareholders, etc.

(3) Evaluation by external organization

Based on their evaluation, the external evaluation agency found that the Company is working seriously on the evaluation of the effectiveness of the Board of Directors and is striving to improve its corporate value further. In particular, based on the results of the effectiveness evaluation questionnaire, all Directors held discussions to review the necessity of separating supervision and execution, as well as the composition of the Board of Directors as a supervisory body; this initiative was highly praised

for fostering a shared understanding among all Directors on the significance of enhancing effectiveness, while engaging in the "Evaluation of the Effectiveness of the Board of Directors" with a consciousness of the PDCA cycle.

(4) Status of initiatives for issues in the previous fiscal year

Issue i) "Discussion on investments in human capital that are linked to the management strategy"

The Board of Directors receives regular reports on activities and investments related to human capital, and oversees the progress of these efforts; however, since improvements in evaluation take time, we recognize this as being an ongoing issue and will continue to address it.

Issue ii) "Review of matters to be deliberated and how deliberations should be conducted at the Board of Directors meetings"

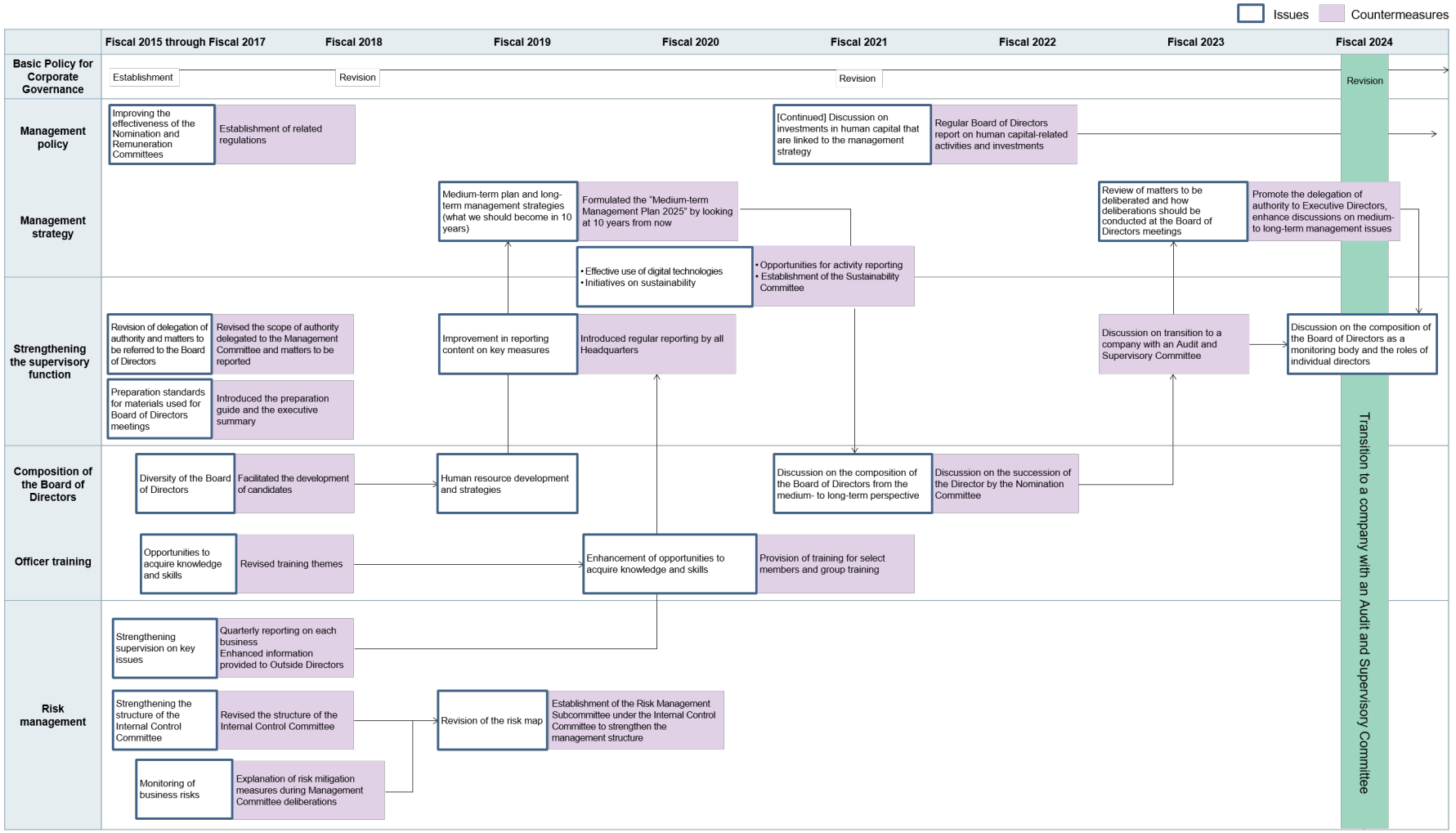
In conjunction with the transition to a company with Audit and Supervisory Committee, the delegation of authority to Executive Directors has been promoted, and a review of matters to be submitted to the Board of Directors and related regulations was conducted in order to allow the Board to spend more time deliberating on medium- to long-term management issues.

(5) Issues for the current fiscal year

With the transition to a company with Audit and Supervisory Committee and an increased ratio of outside directors on the Board of Directors, we recognize the need to deepen discussions on "the composition of the Board of Directors as a monitoring body and the roles of individual directors," and have identified this as being a new issue to address. The Company will endeavor to maintain and enhance the effectiveness of the Board of Directors by continuously working on the issue i) "Discussion on investments in human capital that are linked to the management strategy" in (4) above, in addition to newly recognized issues.

■ 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.



Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET

(Millions of yen)

Account item	84th Fiscal Term (as of March 31, 2025)	(Reference) 83rd Fiscal Term (as of March 31, 2024)
Assets		
Current assets	**279,284**	**297,219**
Cash and deposits	78,166	102,783
Notes and accounts receivable - trade	80,549	81,199
Merchandise and finished goods	31,161	33,287
Work in process	53,620	44,993
Raw materials and supplies	25,245	24,056
Other	10,868	11,205
Allowance for doubtful accounts	(327)	(305)
Non-current assets	**293,904**	**282,466**
Property, plant and equipment	**286,837**	**273,556**
Buildings and structures	189,452	172,862
Machinery, equipment and vehicles	440,279	408,458
Tools, furniture and fixtures	45,633	43,569
Land	16,525	16,171
Construction in progress	32,133	39,100
Accumulated depreciation	(437,185)	(406,606)
Intangible assets	**1,907**	**1,807**
Other	1,907	1,807
Investments and other assets	**5,159**	**7,102**
Investment securities	20	1,342
Retirement benefit asset	26	77
Deferred tax assets	3,742	4,168
Other	1,451	1,615
Allowance for doubtful accounts	(82)	(100)
Total Assets	**573,188**	**579,686**

(Millions of yen)

Account item	84th Fiscal Term (as of March 31, 2025)	(Reference) 83rd Fiscal Term (as of March 31, 2024)
Liabilities		
Current liabilities	**79,645**	**85,780**
Notes and accounts payable - trade	27,157	29,745
Short-term borrowings	4,200	4,200
Current portion of long-term borrowings	15,502	9,255
Accounts payable - other	14,035	22,013
Income taxes payable	2,086	2,182
Provision for bonuses	4,029	5,056
Provision for bonuses for directors (and other officers)	4	17
Other	12,629	13,310
Non-current liabilities	**174,372**	**163,806**
Convertible-bond-type bonds with share acquisition rights	50,991	51,170
Long-term borrowings	93,707	84,219
Deferred tax liabilities	8,338	7,986
Provision for retirement benefits for directors (and other officers)	49	48
Retirement benefit liability	7,229	6,994
Other	14,055	13,386
Total Liabilities	**254,017**	**249,587**
Net assets		
Shareholders' equity	**292,399**	**300,990**
Share capital	33,575	33,575
Capital surplus	49,969	49,922
Retained earnings	222,012	230,905
Treasury shares	(13,157)	(13,411)
Accumulated other comprehensive income	**26,036**	**28,146**
Valuation difference on available-for-sale securities	–	478
Deferred gains or losses on hedges	(8)	(32)
Foreign currency translation adjustment	26,291	27,861
Remeasurements of defined benefit plans	(246)	(161)
Share acquisition rights	**734**	**961**
Total Net Assets	**319,171**	**330,098**
Total Liabilities and Net Assets	**573,188**	**579,686**

CONSOLIDATED STATEMENT OF INCOME

(Millions of yen)

Account item	84th Fiscal Term (from April 1, 2024 to March 31, 2025)		(Reference) 83rd Fiscal Term (from April 1, 2023 to March 31, 2024)	
Net sales		**341,438**		**322,647**
Cost of sales		**269,867**		**257,191**
Gross profit		**71,570**		**65,456**
Selling, general and administrative expenses		**61,110**		**56,376**
Operating profit		**10,459**		**9,079**
Non-operating income				
Interest income	1,551		1,324	
Dividend income	0		57	
Foreign exchange gains	–		3,961	
Subsidy income	360		771	
Other	313	2,225	431	6,546
Non-operating expenses				
Interest expenses	891		698	
Foreign exchange losses	819		–	
Bond issuance costs	–		116	
Depreciation of inactive non-current assets	297		137	
Compensation expenses	87		808	
Other	70	2,167	107	1,868
Ordinary profit		**10,517**		**13,757**
Extraordinary income				
Gain on sale of non-current assets	24		24	
Gain on sale of investment securities	504		177	
Gain on sale of golf club membership	–		69	
Gain on reversal of Anti-monopoly Act related loss	68		–	
Other	1	598	–	271
Extraordinary losses				
Loss on sale and retirement of non-current assets	477		730	
Impairment losses	16		1	
Business restructuring expenses	324		–	
Loss on disaster	157		223	
Anti-monopoly Act related loss	1,687		–	
Other	86	2,750	1	956
Profit before income taxes		**8,365**		**13,073**
Income taxes - current	5,548		4,270	
Income taxes - deferred	488	6,037	485	4,755
Profit		**2,328**		**8,317**
Profit attributable to owners of parent		**2,328**		**8,317**

Non-Consolidated Financial Statements

BALANCE SHEET

(Millions of yen)

Account item	84th Fiscal Term (as of March 31, 2025)	(Reference) 83rd Fiscal Term (as of March 31, 2024)
Assets		
Current assets	**138,433**	**150,910**
Cash and deposits	13,609	32,053
Notes receivable - trade	428	569
Accounts receivable - trade	61,182	61,622
Merchandise and finished goods	4,091	6,166
Work in process	10,865	8,940
Raw materials and supplies	3,883	4,405
Prepaid expenses	796	693
Short-term loans receivable from subsidiaries and associates	10,912	–
Accounts receivable - other	27,262	31,489
Consumption taxes refund receivable	4,292	4,141
Other	1,108	828
Non-current assets	**247,810**	**236,717**
Property, plant and equipment	**59,142**	**51,610**
Buildings	14,357	10,856
Structures	1,101	887
Machinery and equipment	21,068	16,538
Vehicles	126	99
Tools, furniture and fixtures	3,720	3,444
Land	4,485	4,483
Construction in progress	14,282	15,300
Intangible assets	**1,272**	**1,135**
Patent right	1	1
Software	1,039	1,024
Other	231	110
Investments and other assets	**187,394**	**183,971**
Investment securities	0	0
Shares of subsidiaries and associates	63,870	65,892
Long-term loans receivable from employees	10	26
Long-term loans receivable from subsidiaries and associates	124,438	116,814
Distressed receivables	0	0
Long-term prepaid expenses	181	151
Deferred tax assets	2,427	2,391
Other	540	567
Allowance for doubtful accounts	(4,075)	(1,874)
Total Assets	**386,243**	**387,628**

(Millions of yen)

Account item	84th Fiscal Term (as of March 31, 2025)	(Reference) 83rd Fiscal Term (as of March 31, 2024)
Liabilities		
Current liabilities	**84,553**	**84,076**
Accounts payable - trade	42,530	38,278
Electronically recorded obligations	4,760	4,699
Short-term borrowings	4,200	4,200
Current portion of long-term borrowings	15,502	9,255
Lease liabilities	118	42
Accounts payable - other	7,495	17,265
Accrued expenses	4,248	5,061
Income taxes payable	323	443
Deposits received	2,120	1,109
Provision for bonuses	1,653	2,071
Provision for bonuses for directors (and other officers)	4	17
Other	1,595	1,631
Non-current liabilities	**145,524**	**136,044**
Convertible-bond-type bonds with share acquisition rights	50,991	51,170
Long-term borrowings	93,707	84,219
Lease liabilities	323	136
Other	502	518
Total Liabilities	**230,077**	**220,121**
Net assets		
Shareholders' equity	**155,439**	**166,577**
Share capital	33,575	33,575
Capital surplus	52,085	52,038
Legal capital surplus	51,468	51,468
Other capital surplus	617	569
Retained earnings	82,936	94,376
Legal retained earnings	2,947	2,947
Other retained earnings	79,988	91,428
Reserve for tax purpose reduction entry of non-current assets	1,298	1,316
Retained earnings brought forward	78,690	90,111
Treasury shares	(13,157)	(13,411)
Valuation and translation adjustments	**(8)**	**(32)**
Deferred gains or losses on hedges	(8)	(32)
Share acquisition rights	**734**	**961**
Total Net Assets	**156,165**	**167,507**
Total Liabilities and Net Assets	**386,243**	**387,628**

STATEMENT OF INCOME

(Millions of yen)

Account item	84th Fiscal Term (from April 1, 2024 to March 31, 2025)		(Reference) 83rd Fiscal Term (from April 1, 2023 to March 31, 2024)	
Net sales		**308,341**		**283,867**
Cost of sales		**283,179**		**268,172**
Gross profit		**25,162**		**15,694**
Selling, general and administrative expenses		**35,027**		**31,822**
Operating loss		**(9,864)**		**(16,128)**
Non-operating income				
Interest income	2,302		1,310	
Dividend income	15,168		5,197	
Foreign exchange gains	–		3,634	
Reversal of allowance for doubtful accounts	–		2,294	
Other	270	17,741	260	12,697
Non-operating expenses				
Interest expenses	607		480	
Foreign exchange losses	2,369		–	
Bond issuance costs	–		116	
Compensation expenses	33		803	
Depreciation of inactive non-current assets	7		8	
Provision of allowance for doubtful accounts	2,200		–	
Other	121	5,339	40	1,448
Ordinary profit (loss)		**2,537**		**(4,879)**
Extraordinary income				
Gain on sale of non-current assets	4		22	
Gain on sale of investment securities	–	4	3	26
Extraordinary losses				
Loss on sale and retirement of non-current assets	108		180	
Impairment losses	9		–	
Loss on valuation of shares of subsidiaries and associates	2,021		–	
Other	84	2,224	–	180
Profit (loss) before income taxes		**317**		**(5,032)**
Income taxes - current	581		(961)	
Income taxes - deferred	(45)	535	(1,687)	(2,648)
Loss		**(218)**		**(2,384)**

Audit Report

Certified Copy of the Independent Auditor's Report Concerning Consolidated Financial Statements

Independent Auditor's Report

May 13, 2025

The Board of Directors of
TAIYO YUDEN CO., LTD.

KPMG AZSA LLC
Tokyo Office, Japan

Yoshinori Saito, CPA
Designated Limited Liability Partner, Engagement Partner

Hiromasa Niinaya, CPA
Designated Limited Liability Partner, Engagement Partner

Opinion

We have audited the Consolidated Financial Statements, which comprise the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity and notes to the Consolidated Financial Statements of TAIYO YUDEN CO., LTD. (the "Company") and its consolidated subsidiaries (collectively referred to as the "Group") for the fiscal term from April 1, 2024 to March 31, 2025 in accordance with Article 444, paragraph (4) of the Companies Act.

In our opinion, the Consolidated Financial Statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the Consolidated Financial Statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Other information provided by the Company consists of Business Report and its supplementary schedules. Management is responsible for the preparation and disclosure of other information. Audit and Supervisory Committee is responsible for overseeing the Directors' performance of their duties in the design, implementation and maintenance of the Company's reporting process of other information.

The scope of our opinion on Consolidated Financial Statements does not include other information, and accordingly, we do not express any opinion on other information.

Our responsibilities in the audit of the Consolidated Financial Statements are to read through other information, and in its process, to examine whether there is any significant difference between other information and information contained in the Consolidated Financial Statements and/or the knowledge obtained by us in the course of the audit and to pay attention to whether there is any sign of material error in other information other than such significant differences.

If we determine that there is a material error in other information based on the audit work that we have conducted, we are required to report that fact.

There is no particular fact that we should report concerning other information.

Responsibilities of Management and Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for assessing whether it is appropriate to prepare the Consolidated Financial Statements based on the premise of a going concern, and disclosing, as applicable, matters related to a going concern in accordance with accounting principles generally accepted in Japan.

Audit and Supervisory Committee is responsible for overseeing the Directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, based on the audit carried out by the auditors, and to issue an auditor's report that includes our opinion from an independent standpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Non-Consolidated Financial Statements and others, whether due to fraud or error, design and perform audit procedures responsive to those risks, for which the selection and application of audit procedures is at the discretion of the auditor, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances when conducting risk assessments, while the objective of the Consolidated Financial Statements audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the methods of application thereof, as well as the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of preparing Consolidated Financial Statements and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to express our opinion with exclusions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the Consolidated Financial Statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and conduct the audit on the Consolidated Financial Statements to obtain sufficient and appropriate audit evidence regarding the financial information of the entities and its consolidated subsidiaries, which forms the basis for expressing an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and inspection of the Consolidated Financial Statements audit. We remain solely responsible for our audit opinion.

We communicate with Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and any other matters required by auditing standards.

We also provide Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards if measures have been taken to eliminate impediments or to reduce impediments to an acceptable level.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Certified Copy of the Independent Auditor's Report Concerning Non-Consolidated Financial Statements

Independent Auditor's Report

May 13, 2025

The Board of Directors of
TAIYO YUDEN CO., LTD.

KPMG AZSA LLC
Tokyo Office, Japan

Yoshinori Saito, CPA
Designated Limited Liability Partner, Engagement Partner

Hiromasa Niinaya, CPA
Designated Limited Liability Partner, Engagement Partner

Opinion

We have audited the Non-Consolidated Financial Statements, which comprise the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity and notes to the Non-Consolidated Financial Statements, and the supplementary schedules (hereinafter the "Non-Consolidated Financial Statements and others") of TAIYO YUDEN CO., LTD. (the "Company") as at March 31, 2025 and for the 84th fiscal term from April 1, 2024 to March 31, 2025 in accordance with Article 436, paragraph (2), item (i) of the Companies Act.

In our opinion, the Non-Consolidated Financial Statements and others referred to above present fairly, in all material respects, the status of property, and profits and losses for the period, for which the Non-Consolidated Financial Statements and others were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements and Others section of our report. We are independent of the Company in accordance with the ethical requirements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Other information provided by the Company consists of Business Report and its supplementary schedules. Management is responsible for the preparation and disclosure of other information. Audit and Supervisory Committee is responsible for overseeing the Directors' performance of their duties in the design, implementation and maintenance of the Company's reporting process of other information.

The scope of our opinion on Non-Consolidated Financial Statements and others does not include other information, and accordingly, we do not express any opinion on other information.

Our responsibilities in the audit of Non-Consolidated Financial Statements and others are to read through other information and in its process, to examine whether there is any significant difference between other information and information contained in the Non-Consolidated Financial Statements and others and/or the knowledge obtained by us in the course of audit and to pay attention to whether there is any sign of material error in other information other than such significant differences.

If we determine that there is a material error in other information based on the audit work that we have conducted, we are required to report that fact.

There is no particular fact that we should report concerning other information.

Responsibilities of Management and Audit and Supervisory Committee for the Non-Consolidated Financial Statements and Others

Management is responsible for the preparation and fair presentation of the Non-Consolidated Financial Statements and others in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of Non-Consolidated Financial Statements and others that are free from material misstatement, whether due to fraud or error.

In preparing the Non-Consolidated Financial Statements and others, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Audit and Supervisory Committee is responsible for overseeing the Directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements and Others

Our objectives are to obtain reasonable assurance about whether the Non-Consolidated Financial Statements and others as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion from an independent standpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Non-Consolidated Financial Statements and others.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Non-Consolidated Financial Statements and others, whether due to fraud or error, design and perform audit procedures responsive to those risks, for which the selection and application of audit procedures is at the discretion of the auditor, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances when conducting risk assessments, while the objective of the Non-Consolidated Financial Statements audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the methods of application thereof, as well as the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of preparing Non-Consolidated Financial Statements and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Non-Consolidated Financial Statements and others or, if such disclosures are inadequate, to express our opinion with exclusions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the Non-Consolidated Financial Statements and others are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the Non-Consolidated Financial Statements and others, including the disclosures, and whether the Non-Consolidated Financial Statements and others represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and any other matters required by auditing standards.

We also provide Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards if measures have been taken to eliminate impediments or to reduce impediments to an acceptable level.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Report of the Audit and Supervisory Committee

Audit Report

The Audit and Supervisory Committee audited the execution of duties by the Directors for the 84th fiscal term from April 1, 2024 to March 31, 2025. The method and results are reported below.

1. Audit method and content

The Audit and Supervisory Committee received regular reports from Directors and employees regarding resolutions of the Board of Directors related to the matters prescribed in Article 399, Paragraph 1, items (i), (b) and (c) of the Companies Act and the construction and operation of the system (internal control system) established based on the resolutions of the Board of Directors; the Committee requested further explanations as necessary, expressed opinions, and conducted the audit using the methods described below.

i) In accordance with the audit policy and division of duties prescribed by the Audit and Supervisory Committee, and in coordination with the Company's Internal Control Department, the Committee attended important meetings, received reports from Directors and employees regarding the execution of their duties, requested further explanations as necessary, inspected important decision-making documents, and conducted an examination of the status of operations and assets at the Company's head office and primary business locations. Audit & Supervisory Board Members also engaged in communication and information sharing with the Directors and Audit & Supervisory Board Members of subsidiaries, and received business reports from subsidiaries as necessary.

ii) Based on the status of discussions at the Board of Directors and other bodies, the Audit and Supervisory Committee reviewed the content of the basic policy outlined in Article 118, item (iii)(a) of the Regulation for Enforcement of the Companies Act, and the initiatives under item (iii)(b) of the same article of the Regulation for Enforcement of the Companies Act, as stated in the business report.

iii) Audit & Supervisory Board Members monitored and verified that Accounting Auditors maintained independence and conducted the audits appropriately. Each Audit & Supervisory Board Member received reports of the status of the execution of duties from Accounting Auditors and requested further explanation as necessary. In addition, we were informed of the arrangement of the "System for ensuring that duties are performed appropriately" (the matters stated in each of the items of Article 131 of the Corporate Calculation Regulations), as per the "Standards for the Quality Control of Audits" (Business Accounting Council) from the Accounting Auditor and requested explanations as necessary.

In accordance with the procedures mentioned above, we inspected the Business Report, its supplementary schedules, the Non-Consolidated Financial Statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity and notes to the Non-Consolidated Financial Statements) and the supplementary schedules, as well as the Consolidated Financial Statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity and notes to the Consolidated Financial Statements) for the year ended on March 31, 2025.

2. Results of Audit

(1) Results of audit of Business Report

i) The Business Report and supplementary schedules present fairly the current condition of the Company in conformity with related laws, regulations, and the Company's Articles of Incorporation;

ii) Regarding the execution of duties by Directors, no instances of misconduct or material matters in violation of laws, regulations, nor the Company's Articles of Incorporation were found;

iii) Resolutions of the Board of Directors regarding the internal control system are fair and reasonable. There are no matters to be pointed out about the execution of duties by Directors regarding the internal control system; and

iv) The basic policies on those who control the decision-making of the Company's financial and business policies, as stated in the Business Report, is considered appropriate. The initiatives of Article 118, item

(iii)(b) of the Regulation for Enforcement of the Companies Act, as stated in the Business Report, are in line with the basic policy and do not harm the common interests of our shareholders, nor are they intended to maintain the positions of our corporate officers.

(2) Results of audit of Non-Consolidated Financial Statements and supplementary schedules

The auditing methods and results of the Accounting Auditor, KPMG AZSA LLC, are fair and reasonable.

(3) Results of audit of Consolidated Financial Statements

The auditing methods and results of the Accounting Auditor, KPMG AZSA LLC, are fair and reasonable.

May 15, 2025

The Audit and Supervisory Committee of TAIYO YUDEN CO., LTD.

Toshimitsu Honda (Seal)
Audit and Supervisory Committee Member (Full-time)

Tomomi Fujita (Seal)
Audit and Supervisory Committee Member

Tomoko Tsunoda (Seal)
Audit and Supervisory Committee Member

Note: Audit and Supervisory Committee Members Tomomi Fujita and Tomoko Tsunoda are outside Directors as defined in Article 2, item (xv) and Article 331, Paragraph 6 of the Companies Act.