Medium-Term Management Plan 2030

TAIYO YUDEN CO., LTD.

Katsuya Sase

Representative Director, President and Chief Executive Officer

May 8, 2026

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The aims of the TAIYO YUDEN Group

The TAIYO YUDEN Management Philosophy

TAIYO YUDEN

Employee Well-Being | **Betterment of Local Communities** | **Responsibility to Provide Returns to Shareholders**

Founder Hikohachi Sato

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

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

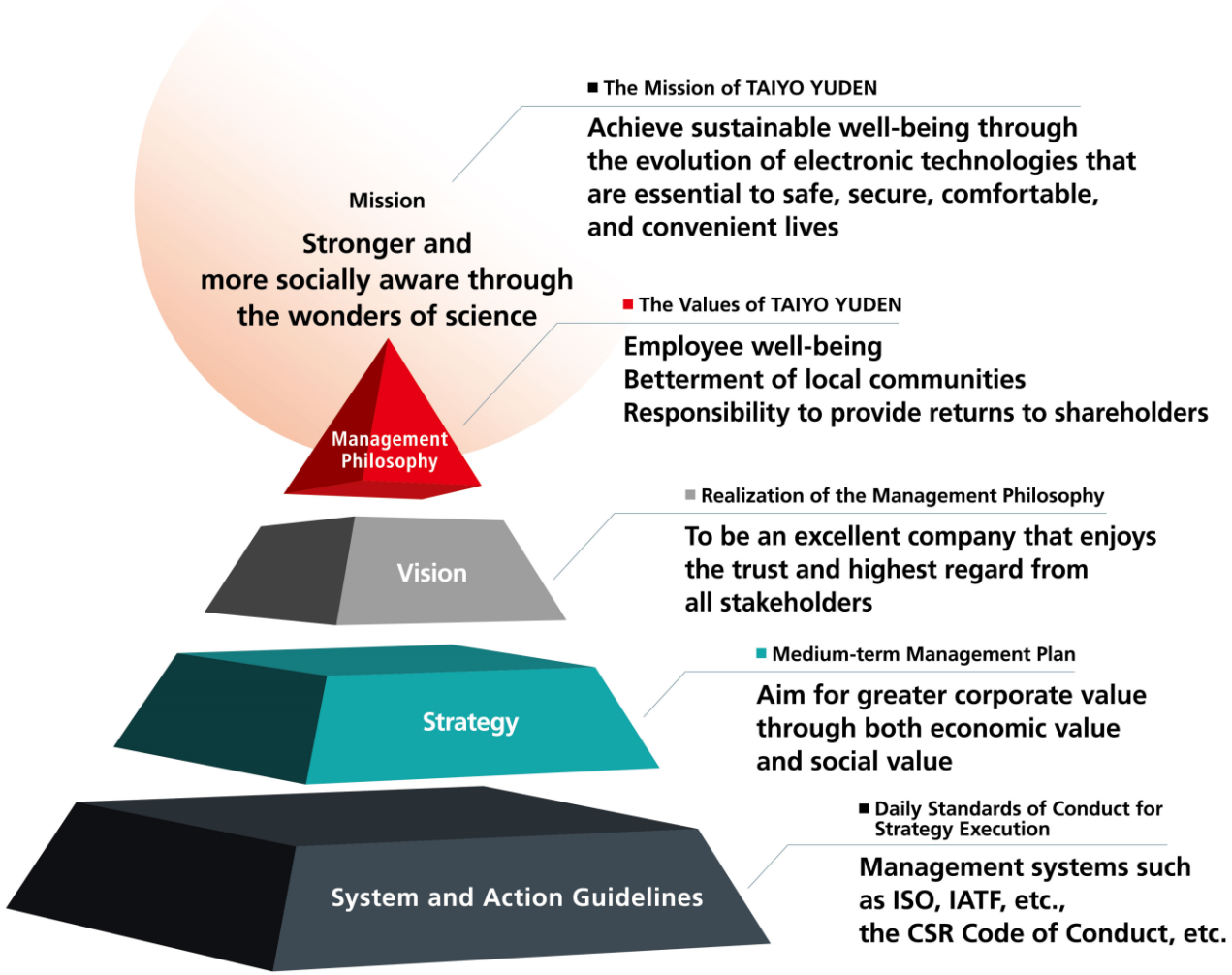
The creed and philosophy of our founder lives on as the fundamental spirit of the TAIYO YUDEN Group.

The Origin of TAIYO YUDEN as a Corporate Name

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

The aims of the TAIYO YUDEN Group

TAIYO YUDEN

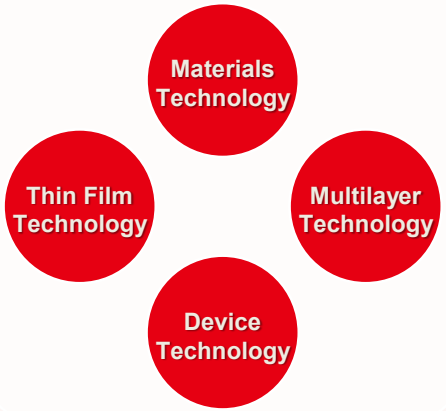


Approaches to Sustainable Well-Being

TAIYO YUDEN

Elemental Technologies and Basic Research

The TAIYO YUDEN Strengths and Core Technologies



Hardware and Software

Features and Performance That Are in Demand

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

A Connected Society

Area of Business Focus

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

Sustainable Well-Being

A Future to Achieve, A Vision to Embody

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

Review of Medium-Term Management Plan 2025

(FY2021 - FY2025)

Key Performance Indicators and Results

TAIYO YUDEN

- While we did not achieve our economic value targets, we conducted steady capital investment for medium- to long-term growth.
- We made progress as planned in initiatives to enhance social value, including reducing GHG emissions and increasing the ratio of female managers.

		Target	2025 Actual	Comments
Economic Value	Net sales	¥480 billion	¥355.3 billion	Failed to achieve target due to a decline in demand, especially for communication equipment, and a delayed recovery from inventory adjustments.
	Operating margin	15% or higher	5.6%	Performance was short of operating margin target due to lower sales and higher expenses related to prior capital investment. Net profit margin also declined, while ROE and ROIC fell short of targets, despite the Company's withdrawal from unprofitable products.
	ROE	15% or higher	4.5%	
	ROIC	10% or higher	3.0%	
Social Value Environmental (E)	GHG emissions	FY2030 (42)%	(27.6)%	Making steady progress toward achieving the target for FY2030.
	Waste	(10)%	(0.9)%	Improving yearly; however, we fell short of target, having yet to fully enjoy the effects of measures implemented.
	Water usage	(10)%	(16.9)%	Initiatives progressed favorably; targets achieved.
Social Value Social (S)	Frequency rate	Less than 0.08	0.10	Ongoing efforts have led to improvements; however, we fell one step short of the target.
	Work engagement	2.5 or higher	2.28	We conducted management education for managers and supervisors; however, we did not achieve the target in this area.
	Rate of newly recruited female graduates	30% or higher	30.8%	Achieved target through recruiting activities led by recruiters.
	Female manager ratio	FY2030 10% or higher	7.7%	Making steady progress toward out target value for FY2030 through systematic development.

Product Strategy Results

TAIYO YUDEN

- We believe the business for capacitors and inductors is solidifying toward medium-term management plan 2030.
- Communication devices are in the process of structural reform to improve profitability in response to changes in demand forecasts.

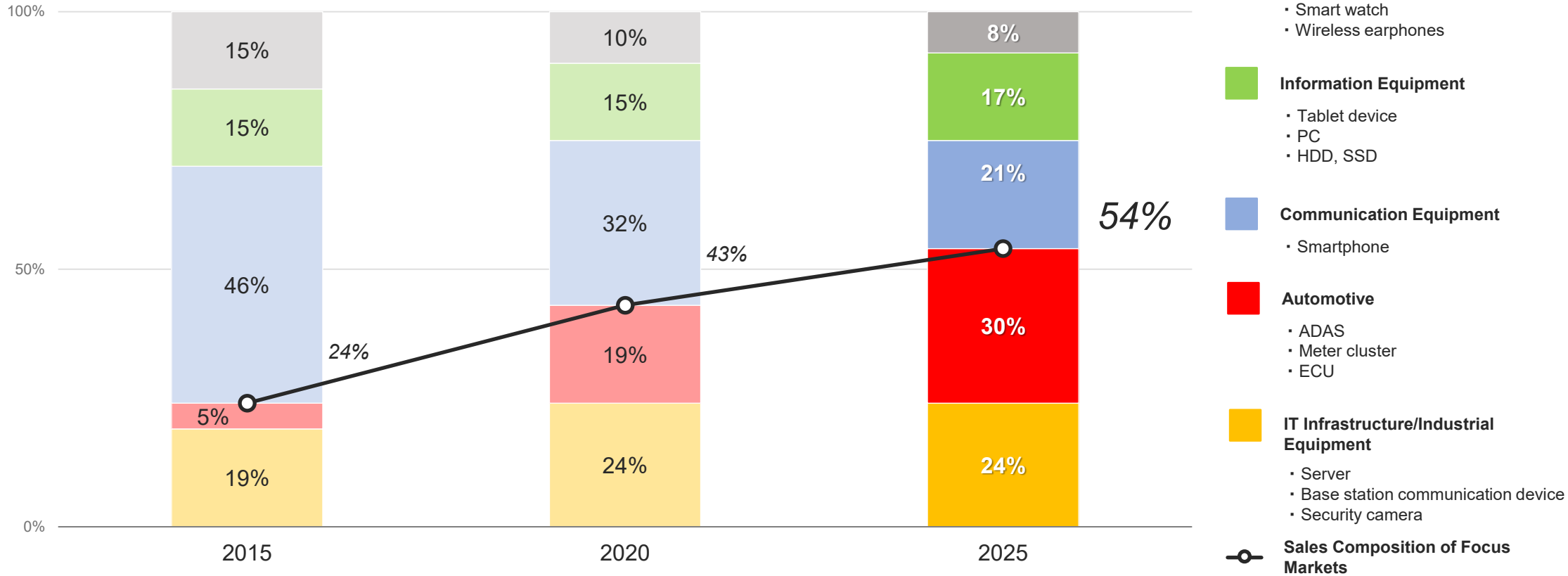
			2020		2025	
Product Strategy	**Capacitor growth**	△	Net sales **¥195.2 billion**	CAGR **5.2%**	Net sales **¥251.8 billion**	● We struggled to improve communication equipment sales; however, sales reached record-highs in FY2025 as MLCCs continue to increase in capacity and number of MLCCs installed per unit in line with the increasing power of AI servers and the digitalization and electrification of automobiles.
	Inductor growth	○	Net sales **¥41.6 billion**	CAGR **9.1%**	Net sales **¥64.3 billion**	● Sales growth was strong, expanding in scale and establishing inductors as a second pillar of business. ● Product mix improved due to an increase in metal power inductors. In addition to communication equipment, we are extending applications to information equipment and consumer electronics.
	Strengthen integrated modules & devices	×	Net sales **¥46.9 billion**	→	Net sales **¥14.8 billion**	● Sales of communication devices declined sharply due to a drop in demand for high-end Chinese smartphones. ● Business restructuring remains an issue. In FY2024, the Company implemented structural reforms to improve profitability through reduced fixed costs. ● We completed transfers and withdrawals of target products in connection with circuit modules.

Market Strategy Results

TAIYO YUDEN

- Sales composition ratio of focus markets increased to 54%, exceeding the target of 50%. This outcome was due to the development of high-value-added products.
- In the past, communication equipment and consumer products accounted for a high percentage of sales, leaving us vulnerable to the trends in these markets, where demand fluctuates widely.
- Under medium-term management plan 2025, we shifted to a more balanced sales structure, making us less susceptible to demand trends in specific markets.

Sales Composition by Application



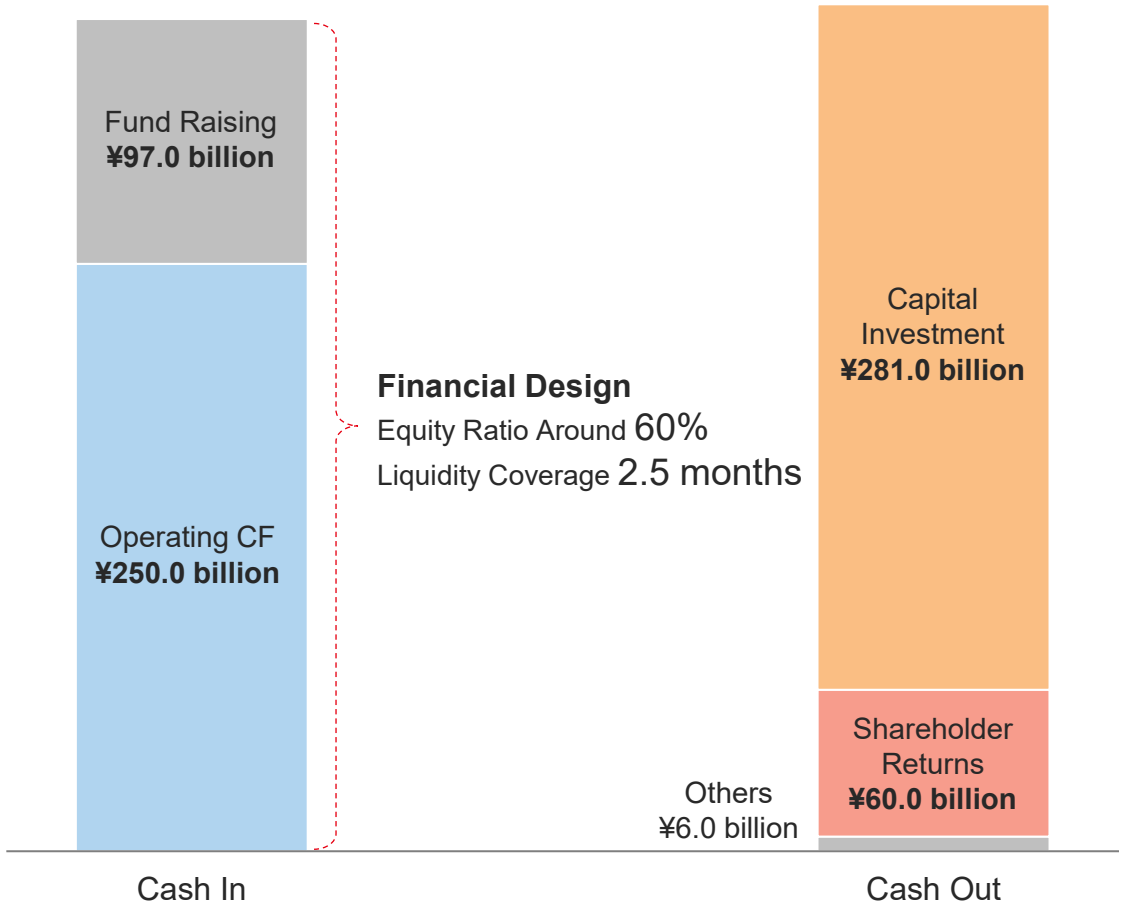
* Focus markets = IT infrastructure/ industrial equipment + Automotive

Capital Allocation

TAIYO YUDEN

- Raising funds to steadily conduct capital investments in advance of future demand expansion, even amid sluggish demand presently.
- Established DOE of 3.5%, in addition to a dividend payout ratio of 30%, as a target for shareholder returns; continued to provide responsible shareholder returns.

FY2021 - FY2025



Fund Raising

- Our plans called for the majority of the cash outflow, including capital expenditures, to be funded by CF from operations. However, we decided to raise funds due to sluggish demand. Securing a structure that supports growth investments together with financial stability.

Capital Investment

- Building expanded capacity (mainly for MLCC) based on medium- to long-term demand forecasts.
- Large investments have completed a cycle under the medium-term management plan 2025.

Shareholder Returns

- Increased dividends in FY2021 and maintained thereafter. Stable and responsible shareholder returns.
- New target of 3.5% DOE since FY2025.

Medium-Term Management Plan 2030

(FY2026 - FY2030)

Value Creation Process

TAIYO YUDEN

Mission — Stronger and more socially aware through the wonders of science

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

Achieve Sustainable Well-Being

×

Supporting the Evolution of a Connected Society

Megatrends

Macro Environment

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

External Environment

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

Operating Capital

FY2025

Financial Capital

Total assets	¥615.5 billion
Equity ratio	56.0%

Intellectual Capital

R&D expenses	¥14.5 billion

Manufactured Capital

No. of production sites	19

Human Capital

No. of consolidated employees	20,604

Social and Relationship Capital

Years since founding	76
Years listed on a stock exchange	56

Natural Capital

Energy (electricity) usage	1,058,150MWh
Water usage	4,234 thousand m^3

Leverage Through Business Activities

Vision

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

Creating Value Through Business Activities

Improving economic value through strengthened QCD
(Business continuity and expansion; and strengthening corporate growth potential)

↑↓

Enhance social value through environmental (E) and social (S) activities
(Improving social and planetary sustainability)

Governance (G)
Improve management stability, support corporate activities, and strengthen stakeholder confidence

Business Opportunities

Develop electronic components that provide high added value

Develop devices that contribute to a sustainable society

Develop solutions for well-being

Outcomes

Medium-Term Management Plan 2030

Economic Value

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

Social Value

Environmental

Carbon neutrality (Scope1+2)	Achieve by FY2050
Renewable energy adoption rate	FY2040 100%
GHG Scope 1 + 2 emissions (compared to FY2020)	FY2030 42% reduction
GHG Scope 3 emissions (compared to FY2021*)	FY2030 25% reduction

Social

No. of serious occupational accidents	Zero (maintained)
HR Well-Being Index	Improve 10% or higher by FY2030

*Scope 3 reduction targets are for categories 1 and 3

Materiality Under Medium-Term Management Plan 2030

TAIYO YUDEN

Social Value G: Governance

Governance that fosters greater stakeholder trust

Improve management stability to support business growth

Economic Value

Strengthen core technologies to make our core business grow

Responding to social issues through the creation of advanced products and solutions.

Social Value S: Social

Diversity-based human resources development and training

Health management and workplace innovation in a safety-first workplace

E: Environmental **Social Value**

Strengthen responses to climate change

Effective use of resources and contribution to building a recycling-oriented society

Basic Guidelines of Medium-Term Management Plan 2030

TAIYO YUDEN

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

Improving Economic Value Through Strengthened QCD

(Business continuity and expansion; and strengthening corporate growth potential)

Business Model

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

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

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

Enhance Social Value Through Environmental and Social Activities

(Improving social and planetary sustainability)

Sustainability Action

Aim to achieve sustainable well-being through our corporate activities

Solve Social Issues

E [Environmental]	Contribute to the realization of a recycling-oriented society by integrating GHG reduction activities with business operations and strengthening the use of renewable energy and resources.
S [Social]	Make Safety First the foundation of business activities. Pursue human capital management and foster workplaces where employees enhance their value and maximize their capabilities.

Create Social Value

E/S [Environmental/Social]	Develop products and solutions that contribute to a healthy, safe, and secure citizen life, thereby contributing to society.

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

Key Performance Indicators

TAIYO YUDEN

- Achieve the targets not achieved under medium-term management plan 2025; post record-high net sales and operating profit.
- Social value determines new targets for occupational injuries and employee well-being.

Economic Value

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

* Exchange rate assumption: US$1 = ¥140

Social Value

	Indicator	Target
Environmental	Carbon Neutrality	Achieve by FY2050 (Scope 1+2)
	Renewable energy adoption rate	100% by FY2040
	GHG Scope 1 + 2 emissions	42% reduction by FY2030 (compared to FY2020)
	GHG Scope 3 emissions	25% reduction by FY2030 (compared to FY2021)
Social	No. of serious occupational accidents	Zero (FY2026 - FY2030)
	HR Well-Being Index	Improve 10% or higher by FY2030

* Scope 3 reduction targets cover categories 1 and 3

Sales Plan by Product

TAIYO YUDEN

- Expecting to increase sales across all three segments with increased demand for high value-added products.
- Aim to achieve 60% of sales by FY2030 in focus markets.

Capacitors

FY2025 Results

¥251.8 billion

US$1 = ¥149.99

Target for FY2030

¥314.0 billion

Assuming US$1 = ¥140

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

Inductors

FY2025 Results

¥64.3 billion

Target for FY2030

¥113.0 billion

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

Other

FY2025 Results

¥39.2 billion

Target for FY2030

¥53.0 billion

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

Percentage of Sales in Focus Markets

IT Infrastructure/Industrial Equipment
+
Automotive

60%

(Target for FY2030)

* In FY2026, we merge the product category of *Integrated Modules & Devices* with *Other*.

The Environment Surrounding TAIYO YUDEN

TAIYO YUDEN

- In a society where everything is connected, AI will be the foundation for data processing, and data processing volume will increase exponentially.
- In the same context, semiconductors will continue to evolve, and the technological evolution of MLCCs, inductors, and other electronic components that support these semiconductors will accelerate.
- TAIYO YUDEN integrates various elemental technologies vertically, dealing in everything from materials development to mass production, differentiating through high-performance, highly reliable products.

A Connected Society

- The evolution of AI and other factors will usher in a completely connected society of *people*, *products, real*, and *virtual*
- Technological innovations that lead to the evolution of social infrastructure, including digital twin and diversified means of transportation

Electronic components that support society in unseen places

- Demand for semiconductors will continue to grow as we move toward a connected society
- Electronic components require ever-evolving technological evolution to support improved semiconductor performance
- Market environment for MLCCs and inductors, etc., experiencing simultaneous demand growth and shift to high-end
- Expanded business opportunities for the Company, which holds elemental technologies and can propose optimal products to customers

Market Outlook

TAIYO YUDEN

- Our focus markets are IT infrastructure/industrial equipment and automotive—markets that use many high value-added products; these markets will be our growth drivers.

Application	Product Category	Market Trends	No. of Electronic Components per Unit Between 2025 and 2030
IT Infrastructure/Industrial Equipment			**AI Servers**
	MLCC	We are working to develop smaller, higher-capacity models (mainly for AI servers) and integrate these products into motherboards for improved performance and reduced power loss	10,000 to 20,000 → More than double
	Inductor	Demand for AI servers has increased significantly due to changes in power supply methods	Significant changes in power supply methods and increased demand (Page 21)
Automotive			**Automotive (xEV/ADAS Lv2 or higher)**
	MLCC	Increased demand for SDVs and ADAS due to increased installations and sophistication	10,000 to 15,000 → 15,000 to 20,000
	Inductor		400 to 500 → 700 to 900
Communication Equipment			**High-End Smartphones**
	MLCC	Increasing number of electronic components per unit and miniaturization	1,300 to 1,700 → 1,400 to 1,900
	Inductor		60 to 70 → 65 to 80

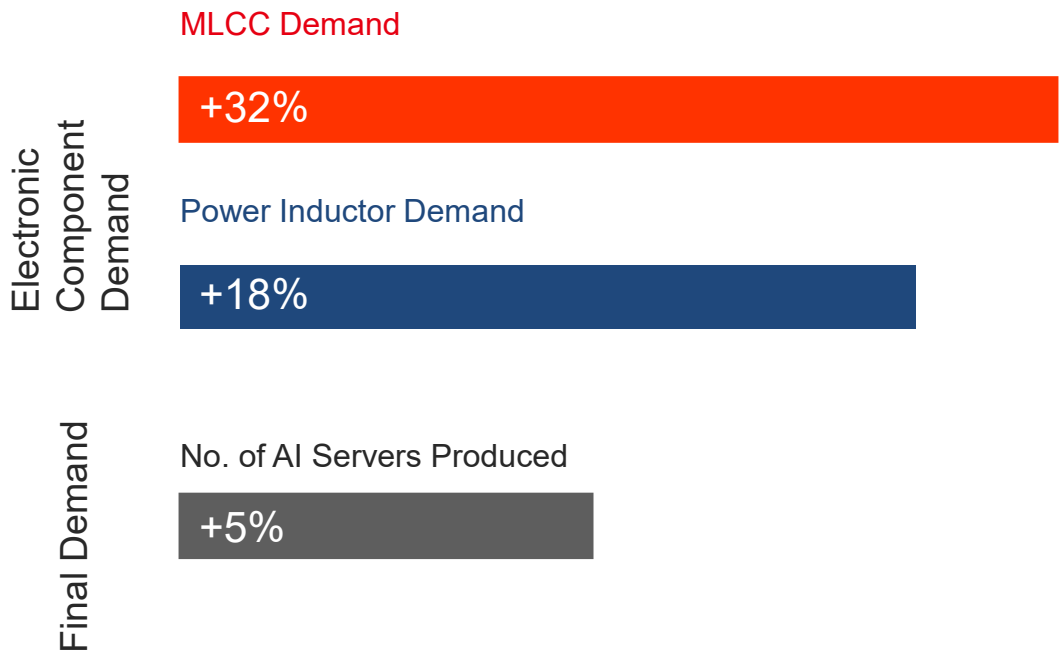
* The number of electronic components per unit is based on TAIYO YUDEN's estimates
* Inductors = Compact power inductors

Focus Market: AI Servers

TAIYO YUDEN

- With the development of a connected society, the amount of data in the world will continue to increase exponentially, and the performance of AI will continue to improve as the foundation for data processing.
- Increased performance of semiconductors installed to increase processing power of AI, resulting in increased power consumption, heat generation, and other issues.
- Increases in the number of MLCCs and power inductors, along with improvements in their performance, are helping to reduce power loss.

Market Forecast for FY2030 (TAIYO YUDEN Estimate)



* Each figure represents CAGR starting in FY2025.

Our Opportunities

- While AI servers will see further performance improvements with exponential increases in data processing volume, design technologies and other factors will change dramatically in solving issues that include increased power loss and heat generation due to the rapid increase in power consumption
- We have the technological capability to combine various elemental technologies to develop electronic components that contribute solutions in a timely manner
- MLCC has the technology and development capabilities to respond to the evolution of AI servers, including compact size, large capacity, thin profile, and integrated substrates
- Power inductors combine metallic magnetic materials and multilayer/winding processes for a high degree of design freedom, low loss, and high current capability; also able to integrate into substrates

Demand Opportunities With AI Servers

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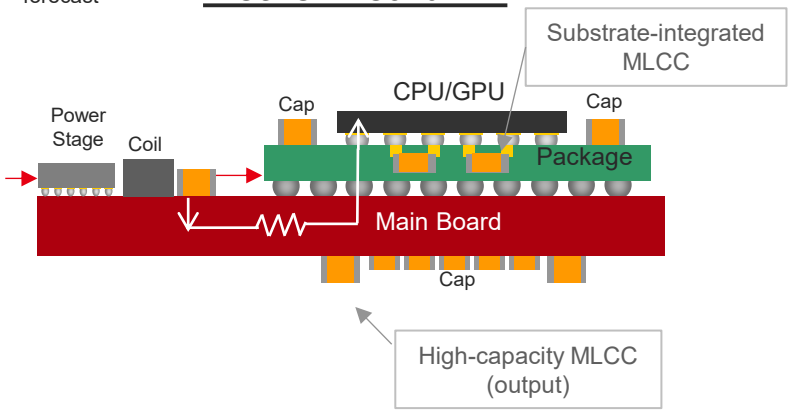
- Rapid increase in data center power consumption is an issue, especially for AI servers; solutions are needed to reduce power loss.
- Various power supply methods (e.g., vertical or built-in) have been adopted to solve the problems; the market needs MLCCs and inductors offering compact size, high performance, and integrated substrate compatibility.

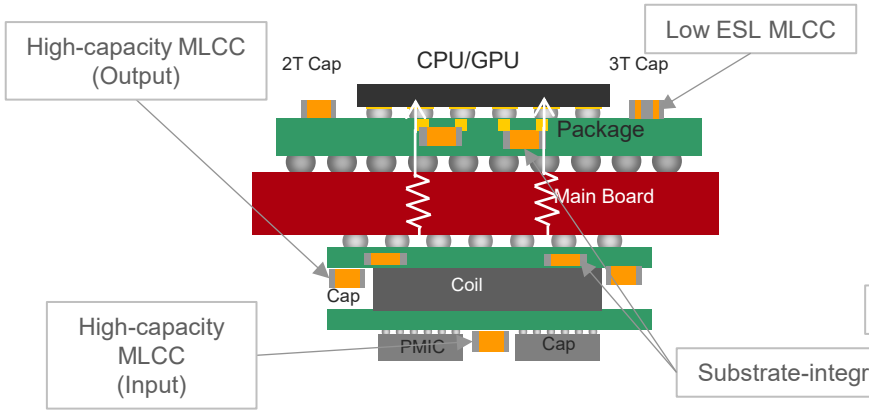
VR Solutions

*TAIYO YUDEN forecast

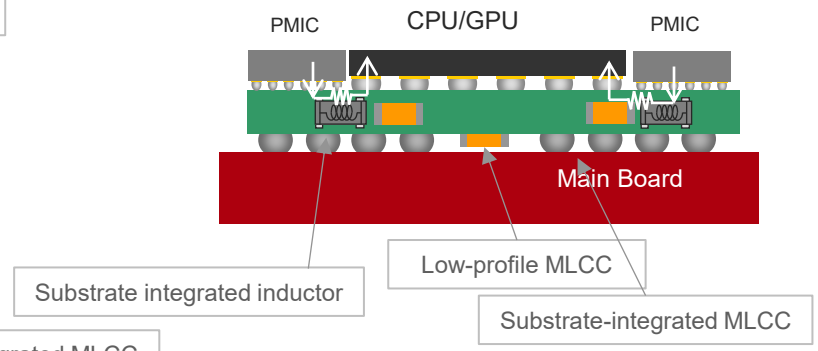
Mother Board VR



VPD: Vertical Power Distribution



IVR : Integrated VR

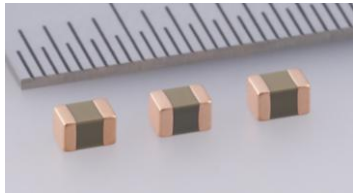


MLCCs

Required Performance

- Compact size and large capacity
- Low ESL
- Low profile
- Substrate integration

Distinctive TAIYO YUDEN Products



Power Inductors

Required Performance

- Compact size and high current
- Low DCR
- High efficiency
- Substrate integration

Distinctive TAIYO YUDEN Products

Focus Market: Automotive

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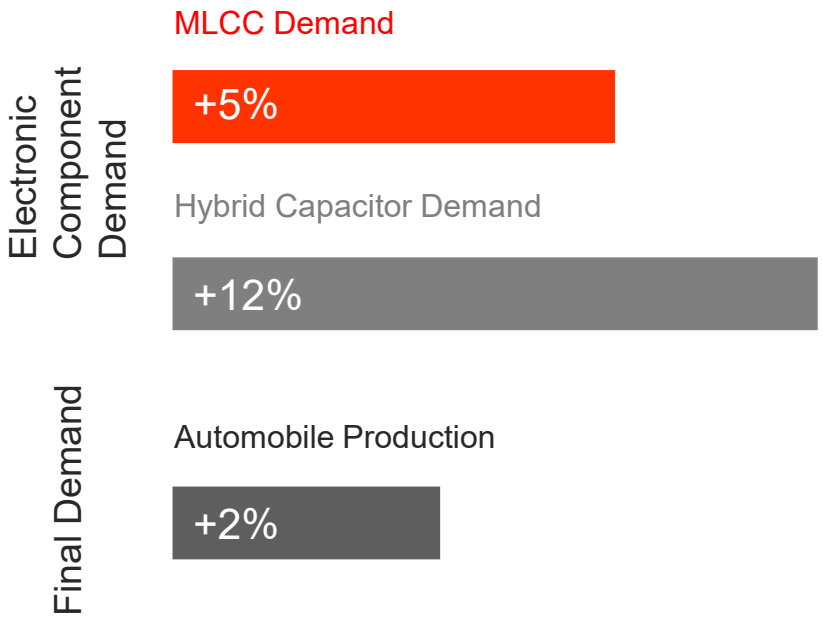
- Automotive market will become more electronic (mainly ADAS) and electrified (xEV); demand for electronic components will increase at a pace higher than volume growth.
- We are seeing great advancements in technological innovations such as SDV (software-defined vehicles), ADAS with higher performance, X in 1 with integrated drivetrain functions, and other high-performance, high-efficiency, compact, and lightweight products.
- MLCCs and hybrid capacitors must be compact, high-performance, reliable, and long-life.

Market Forecast for FY2030 (TAIYO YUDEN Estimate)



* Each figure represents CAGR starting in FY2025.

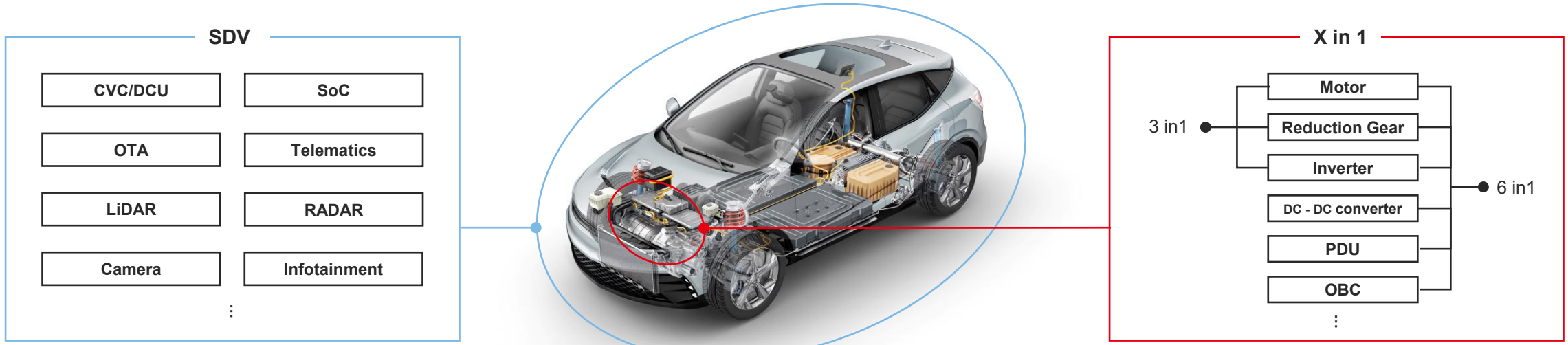
Our Opportunities

- Demand for MLCCs is expected to grow as high-performance semiconductors are required to meet the increasing sophistication of SDVs and automated driving (ADAS Lv2 and above), together with the evolution to X in 1
- The in-vehicle environment requires extremely high reliability and stability due to extremely demanding usage environments (temperature, etc.), not to mention the direct impact on human lives
- Providing high value-added products that meet automotive passive component standards (AEC-Q200), have a long service life, and have a low failure rate is a business area where we can take advantage of our in-house capabilities to handle everything from elemental technologies on up
- Hybrid capacitors combine high performance and high reliability by using conductive polymers and electrolyte solution as the electrolyte products that support the shift to 48V for automobiles, contributing to the higher efficiency and compact size of devices, etc.

Demand Opportunities With Evolutions in Automotive Design Evolution

TAIYO YUDEN

- With the shift to automotive electronics and electrification, designs are changing dramatically, including SDV and X in 1 with integrated drivetrain.
- Demand is growing for MLCCs and hybrid capacitors that meet the needs of technically challenging applications requiring higher performance, miniaturization, high-temperature resistance, and higher voltage tolerance.

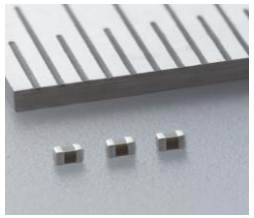


MLCCs

Required Performance

- Compact size
- High capacity
- High temperature resistance
- High reliability

Distinctive TAIYO YUDEN Products

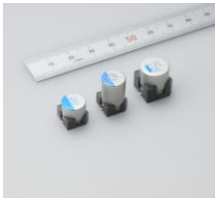


Hybrid Capacitors

Required Performance

- High capacity
- High ripple
- High temperature resistance
- High reliability

Distinctive TAIYO YUDEN Products

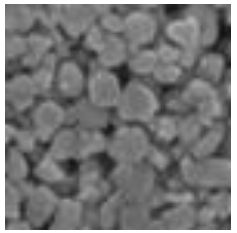


TAIYO YUDEN Advantages:
High Technological Capabilities Through the Fusion of Elemental Technologies

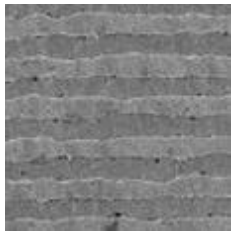
TAIYO YUDEN

- Competitive advantage by black-boxing all technologies from materials development to commercialization, including materials, production processes, and product design
- Accelerating the integrated product development process, including materials technology, multilayer technology, and design technology; allows us to quickly propose optimal products in the rapidly changing electronics industry
- Continuing to create high-end products and establish a highly profitable structure

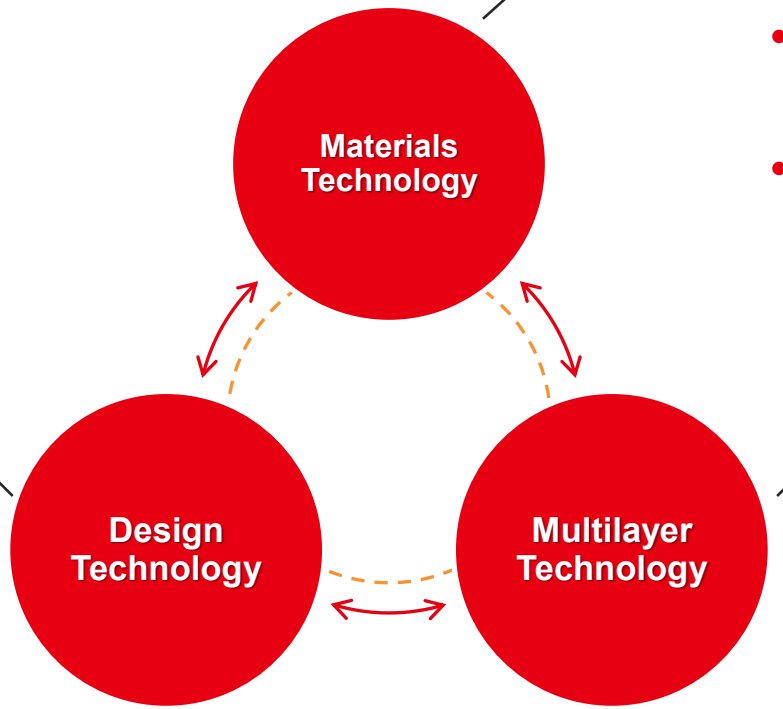
Typical Elemental Technologies



MLCC Dielectric Materials



MLCC Multilayer Structure



Materials Technology

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

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Design Technology

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

Multilayer Technology

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

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*A μm is 1/1,000 of 1mm.

TAIYO YUDEN Advantages: Dielectric Materials Technology (MLCC)

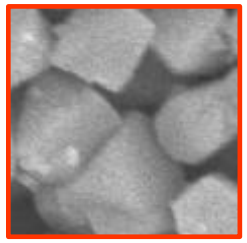
TAIYO YUDEN

- From a foundation of ceramic capacitors, TAIYO YUDEN has been developing dielectric materials for more than 75 years
- We conduct in-house synthesis of barium titanate (the main material used in MLCCs), enjoying a technology gap of nearly 10 years with overseas low-end manufacturers
- Since materials undergo irreversible reactions during firing, it is impossible to completely reverse engineer the material composition from the product

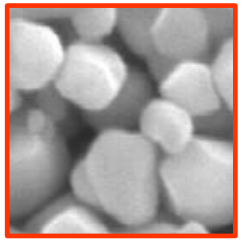
Evolution in TAIYO YUDEN Dielectric Materials

Barium titanate particle size (nm)

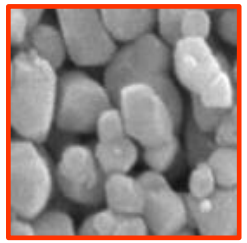
*A nm is one millionth of 1mm



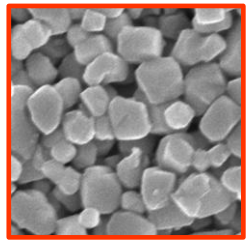
350nm



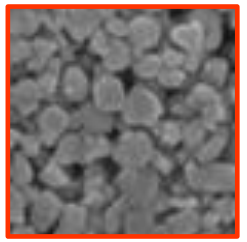
200nm



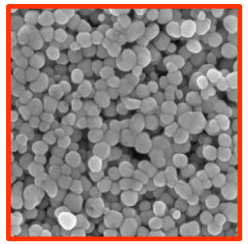
150nm



100nm



80nm



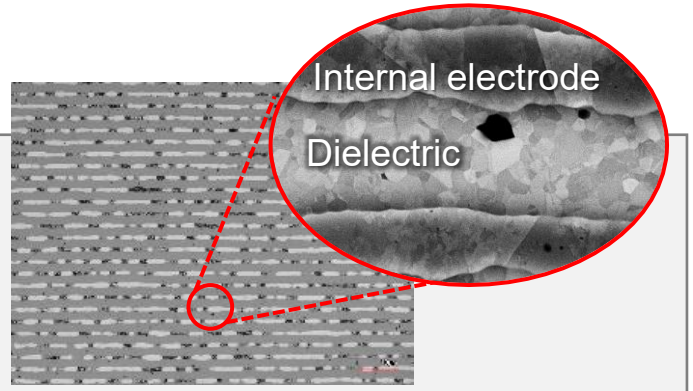
50nm

CY2000 CY2010 CY2015 CY2020 CY2025 CY2030

Current Technology Level of Overseas Low-End Manufacturers

Particle size variability and inconsistency in internal structure

*TAIYO YUDEN research



Overseas low-end manufacturer mass production

TAIYO YUDEN Advantages: Multilayer Technology (e.g., MLCC)

TAIYO YUDEN

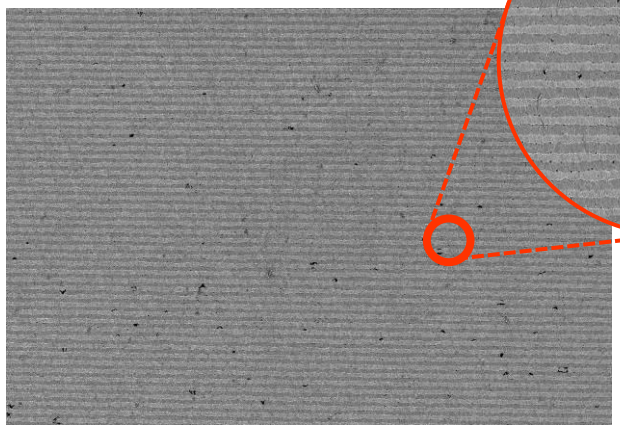
- Advanced process technology capable of layering more than 1,000 layers of extremely flat dielectric sheets of 1 µm or less with zero misalignment
- High-reliability type achieved by applying dielectric material in uniform thicknesses

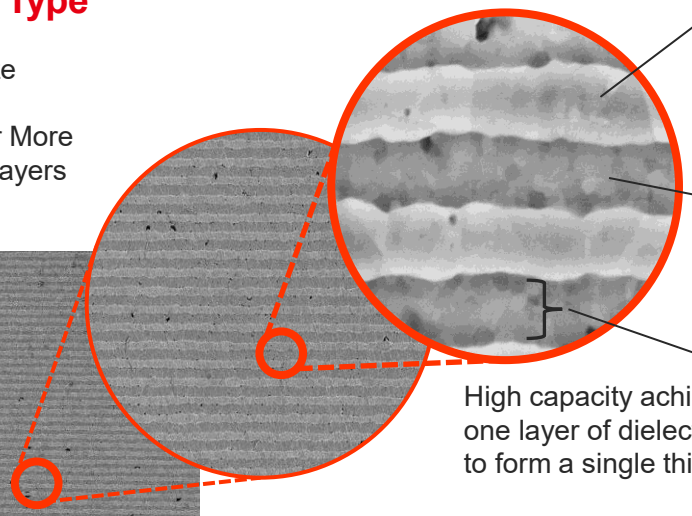
Coating and Layering

- Coating process to form green sheets by applying nano-level materials precisely in as layers as thin as 1 µm or less
- The layering process layers more than 1,000 of these ultra-thin sheets with zero misalignment
- Combining both to achieve characteristics such as compact size, large capacity, and high reliability

MLCC Large Capacity Type

Shape	1005-4532 Size
Rated	2.5 to 6.3WV
Capacitance	22 to 470µF or More
Layers	400 to 1,000 Layers or More

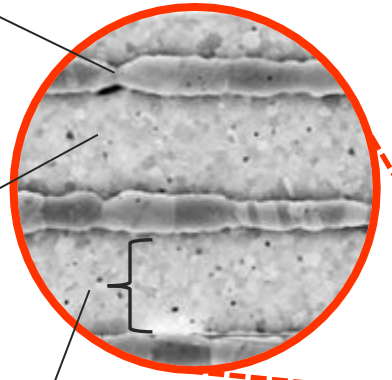




Internal Electrode

Dielectric

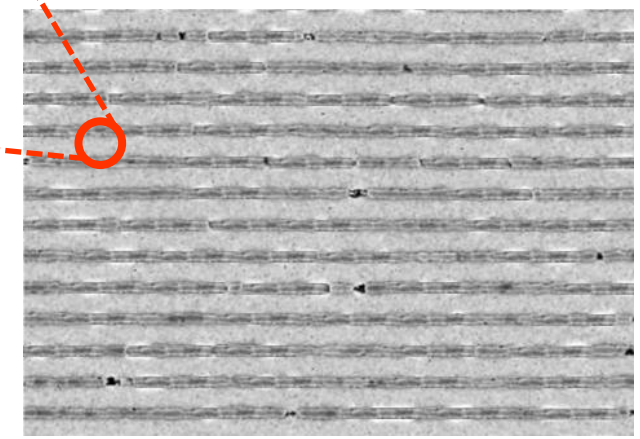
High capacity achieved by reducing one layer of dielectric to the utmost limit to form a single thin-layer sheet



High dielectric breakdown voltage achieved by arranging many dielectrics in one layer

MLCC High Reliability Type

Shape	1608-3225 Size
Rated	10 to 100WV
Capacitance	0.1 to 10 µF
Layers	100 to 500 layers

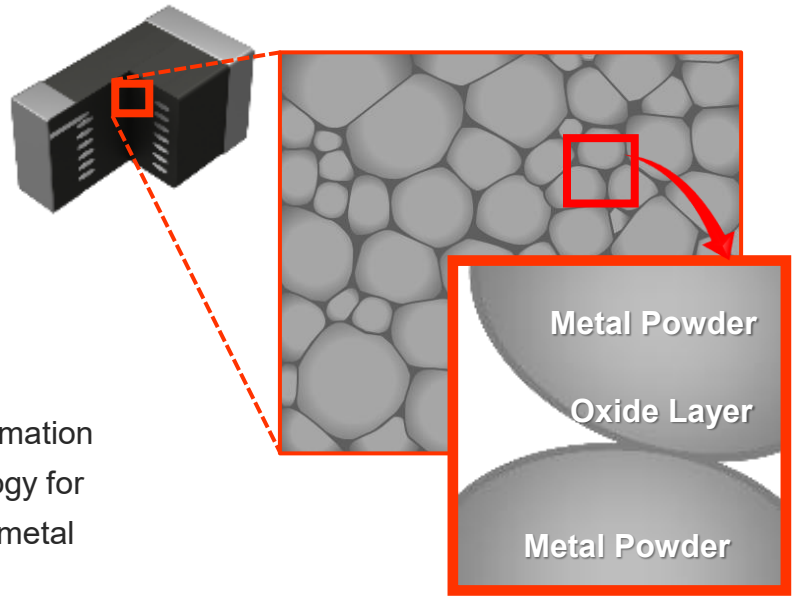


TAIYO YUDEN Advantages: Metallic Magnetic Material Technology (Inductors)

TAIYO YUDEN

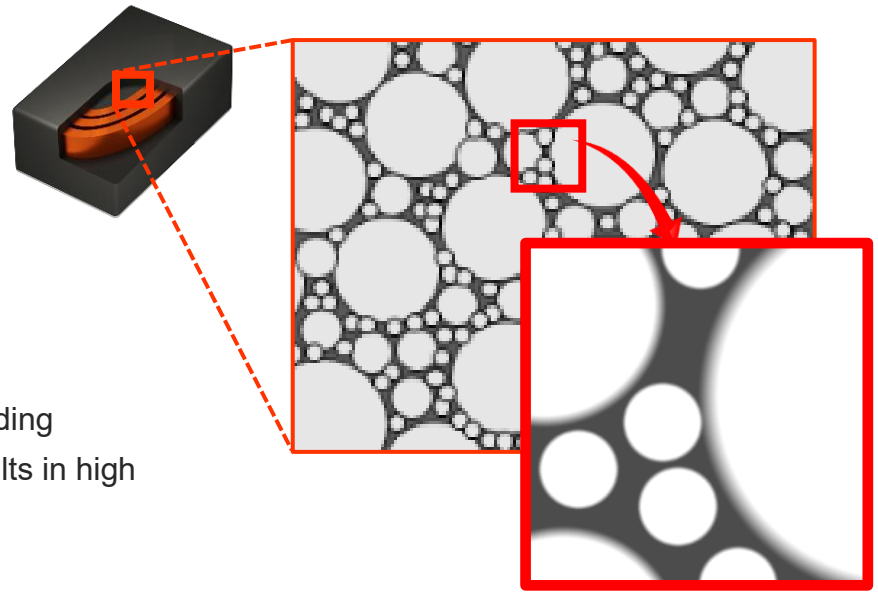
- Our proprietary metallic magnetic material combines nano-level interface control and high filling technology
- High permeability with low loss, contributing to high current capability and improved power supply efficiency
- Combined with multilayer/winding processes, we offer optimal products in terms of size, characteristics, etc., and meet next-generation design requirements (integrated substrates, etc.).

Metal Power Inductors
MCOIL™ Series



Multilayer Type

Atomic-level oxide film formation through patented technology for bonding and insulation of metal particles



Wound Type

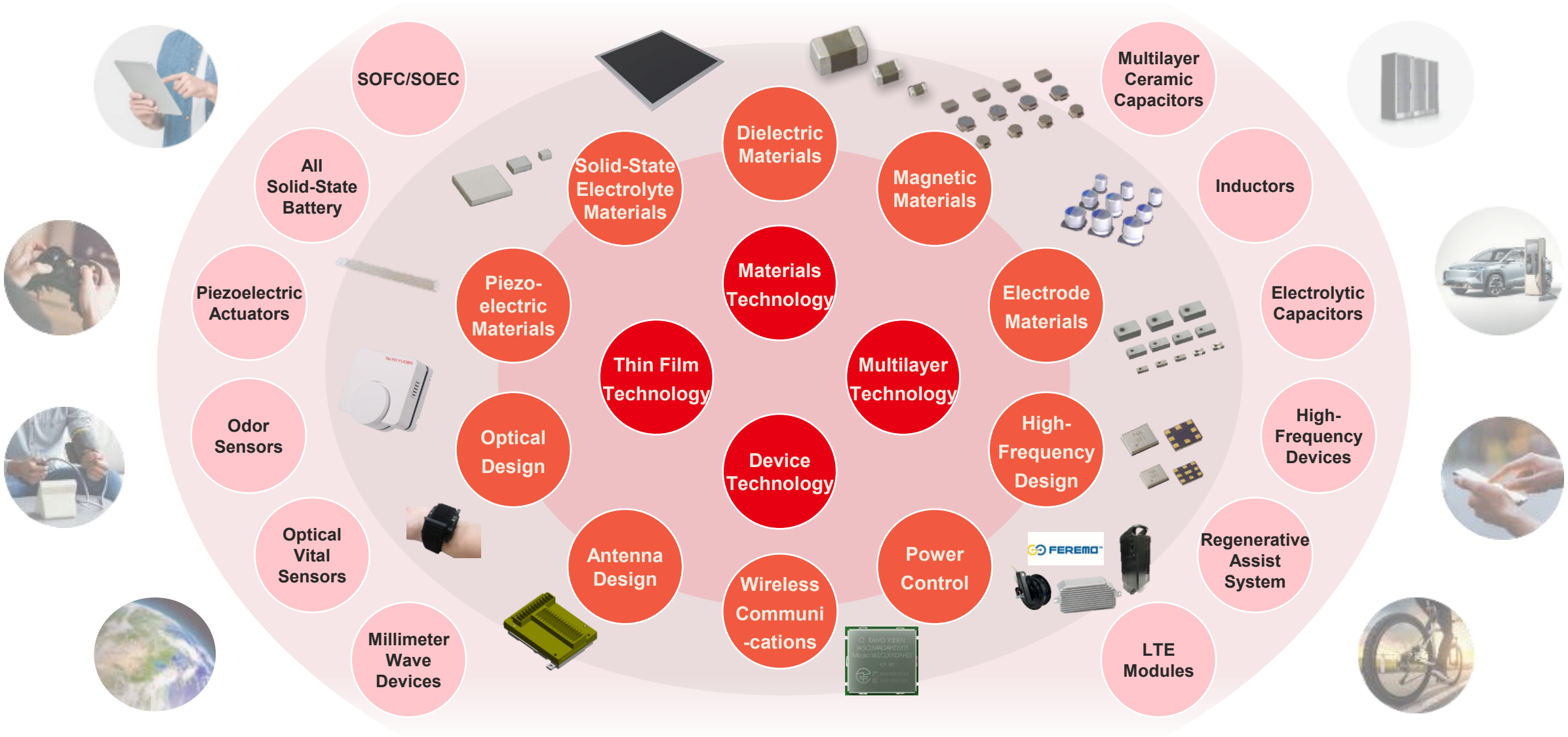
Proprietary molding technology results in high material filling

* MCOIL is a registered trademark or trademark of TAIYO YUDEN Co., Ltd. in Japan and other countries.

Product Development From the Fusion of Elemental Technologies Built Around Core Technologies

TAIYO YUDEN

– Continuing to propose leading-edge electronic components and solutions through a combination of various elemental technologies

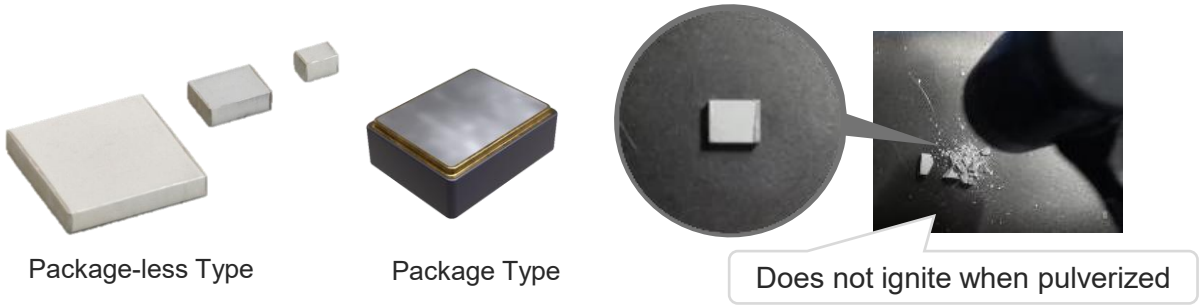


TAIYO YUDEN

All Solid-State Battery

- All solid-state batteries using nonflammable oxide materials
- Operable in harsh environments (e.g., high temperatures, vacuum)
- Applying MLCC materials and multilayer technologies

Multilayer chip all-solid-state batteries

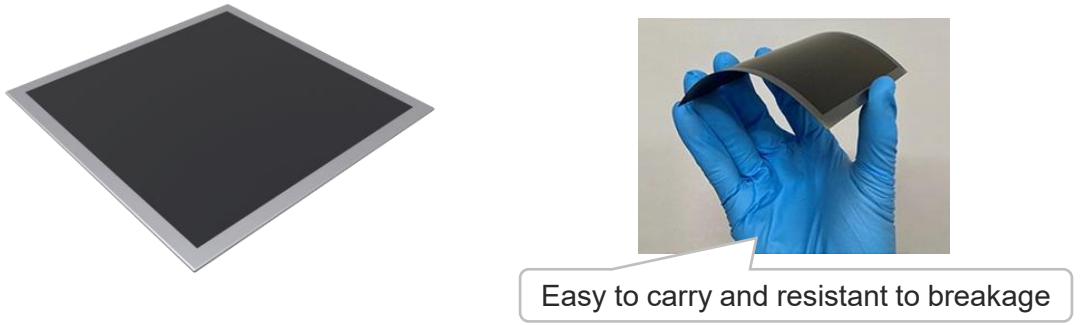


Main Applications	・Wearable devices ・IoT devices ・Space equipment ... etc.
Strengths	・High safety (non-flammable, no leakage, no risk of explosion) ・Usable in harsh environments (>100°C or under vacuum)
Size	L:12.6mm x W:10.0mm x T:4.3mm (Package Type)
Materials and Solid Electrolyte Technology	Long-life oxide materials produced through materials and sintering technology cultivated in MLCC
Multilayer Technology	Compact size and large capacity achieved through multilayer technology cultivated in MLCC

SOFC/SOEC (Solid Oxide Fuel Cell/Electrolytic Cell)

- Solid oxide fuel cell with metal support
- Convenience of rapid temperature change with high power-generation
- Applying MLCC materials and multilayer technologies

Metal-supported solid oxide fuel cells
(MS-SOFC)



Main Applications	・Portable power supply ・Hydrogen production
Strengths	・Easy to carry, unbreakable ・Rapid temperature change allows for immediate power generation
Size	L:100.0mm x W:100.0mm x T:0.3mm
Materials Technology	Proprietary co-firing technology for high power-generation performance
Multilayer Technology	High power generation characteristics by applying multilayer technology for thinner electrolyte

TAIYO YUDEN

Odor Sensors

- Odor sensor that offer visualization (quantification) of odor
- Proposed solutions combining Odor Vision that reproduces visualized odors

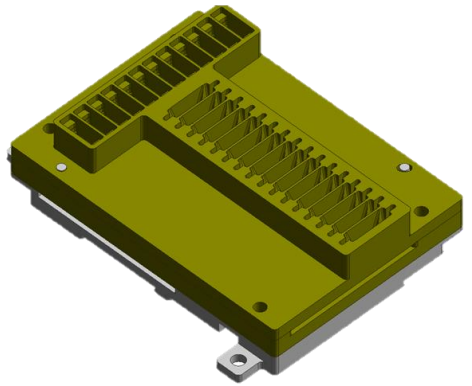
Odor Sensors

Main Applications	・Healthcare ・Anomaly detection
Strengths	Visualization of odors without relying on human senses
Size	L:90.0mm x W:42.6mm x T:86.5mm
Device Technology	High sensitivity through FBAR/ SAW technology cultivated in communication devices
Materials Technology	Organic and inorganic material technologies cultivated in recording media applied to sensitive film to achieve high precision

Millimeter Wave Devices

- Millimeter wave devices for imaging sensors using millimeter wave
- Proprietary 3D antenna technology for non-contact, high-resolution image sensing

Millimeter Wave Devices

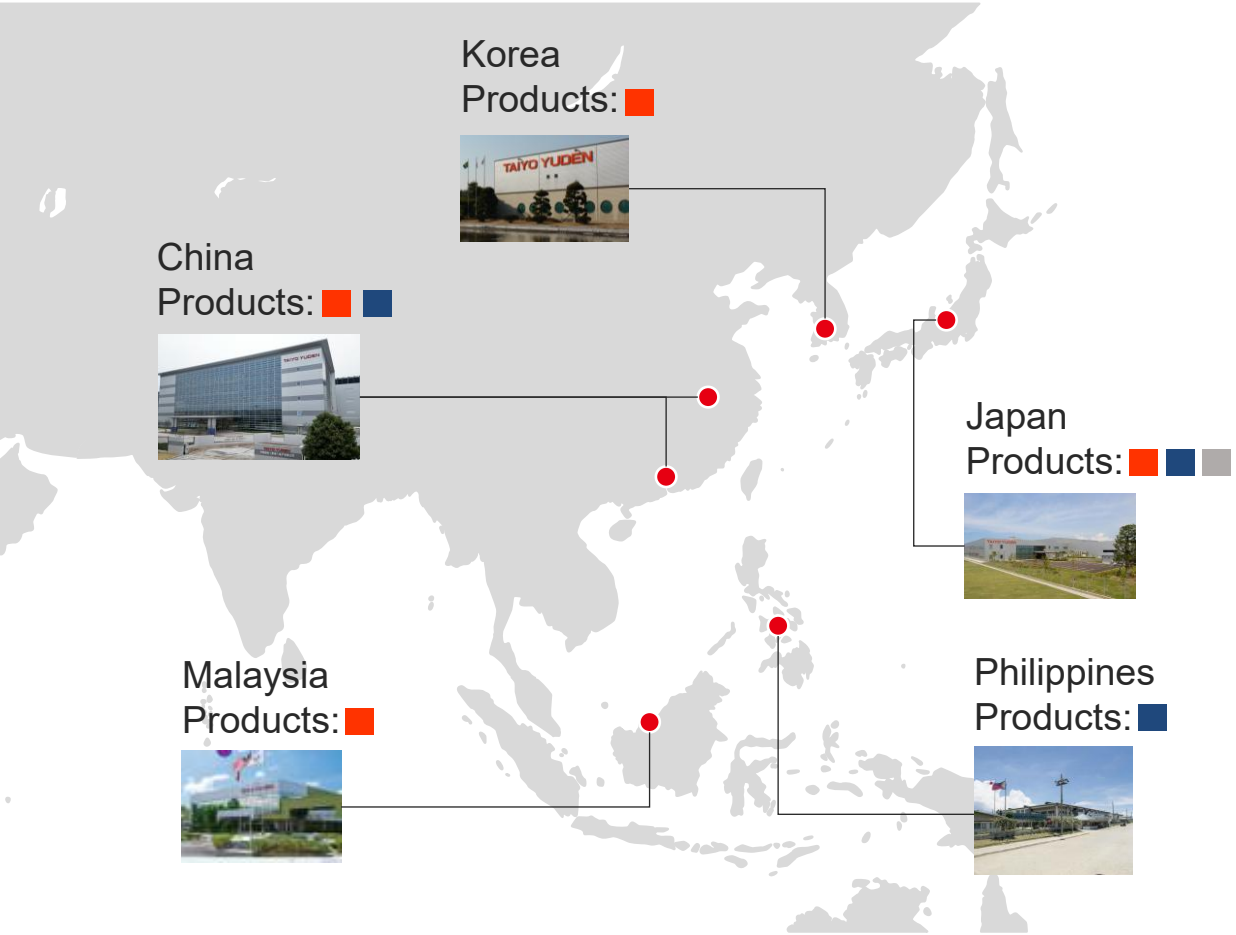


Main Applications	・Object detection ・Non-destructive testing
Strengths	Non-contact visualization of the invisible
Size	L:72.0mm x W:53.0mm x T:18.0mm
Device Technology	Proprietary structural design technology for low-loss millimeter wave transmission and reception
Antenna Technology	High resolution through antenna technology that enables multi-channel

Capital Investment Plan

TAIYO YUDEN

- Under medium-term management plan 2025, we conducted major investments (mainly in MLCC) to prepare for medium-term management plan 2030.
- We have completed the cycle for investments in large-scale buildings, and we expect the five-year cumulative investment amount under medium-term management plan 2030 to be lower than medium-term management plan 2025.
- Striving to minimize the impact of disaster and geopolitical risks, while maintaining a diversified production system that supports business continuity.



Medium-Term Management Plan 2025

2021	¥34.0 billion	MLCC capacity expanded at a rate of 10%-15% per year between 2021 to 2024
2022	¥50.5 billion	Constructed a new MLCC materials building; two domestic sites for medium- to long-term capacity expansion
2023	¥92.2 billion	Constructed new MLCC plants in China, Malaysia
2024	¥64.2 billion	Completed start-up of new plants
2025	¥40.4 billion	Expanded MLCC capacity expansion by 5% stemming from the fact that we secured a certain level of capacity by the end of the previous fiscal year; FCF generation due to a decrease in capital investments

Medium-Term Management Plan 2030

2026

Cumulative total
¥270 billion

2030

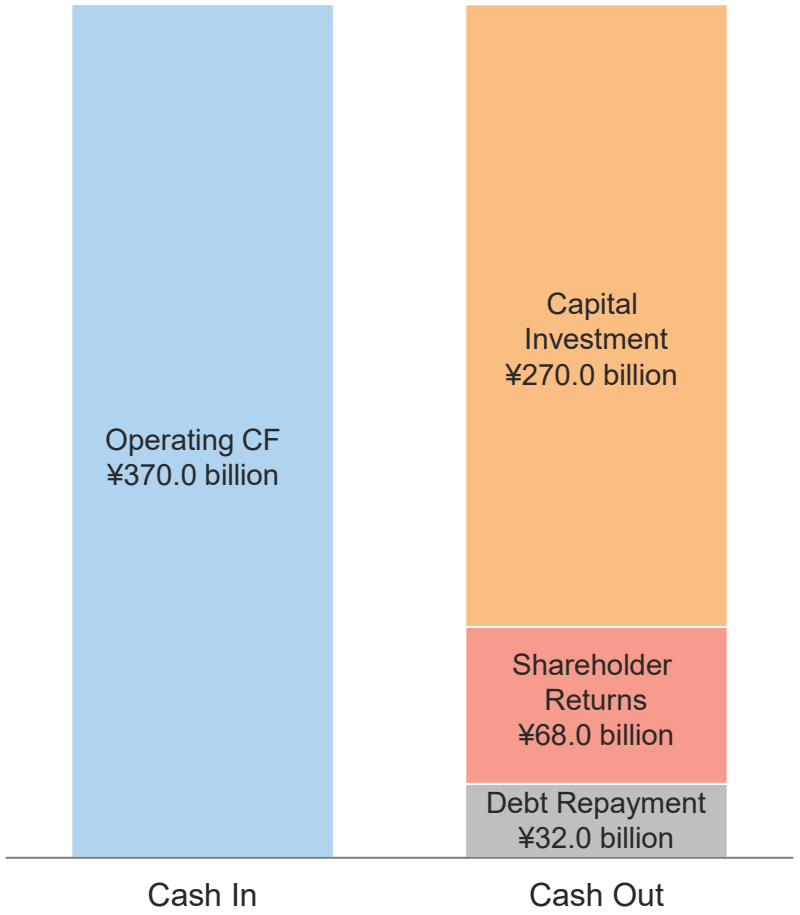
- We have completed a cycle of investments in large-scale buildings; we expect investments under medium-term management plan 2030 to focus on increasing production capacity
- MLCC capacity expansion is planned at about 10% annually

Capital Allocation

TAIYO YUDEN

- Improve FCF by balancing investment in growth, shareholder returns, and sound finances.
- Capital investments to meet increasing demand and reduce net debt as we generate operating CF.

FY2026 - FY2030



Growth Investments

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

Shareholder Returns

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

Sound Finances

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

Environmental

TAIYO YUDEN

- Aiming to become carbon neutral by FY2050, we pursue GHG reduction activities that integrate with our business activities.
- Strengthening efforts throughout the supply chain to help create a sustainable society.

Social Value (Environmental) Key Performance Indicators and Major Initiatives

Indicator		FY2025 Results	Target	Major Initiatives
Energy	**Renewable energy adoption rate**	33.2%	FY2040 **100%**	**Expand adoption of renewable energy** ● Expanding the use of renewable energy for power consumption as part of manufacturing under a philosophy of decarbonization. ● The target is to achieve 100% renewable energy by FY2040.
GHG	**Scope 1 + 2 emissions**	27.6% reduction (compared to FY2020)	FY2030 **42% reduction** (compared to FY2020)	**Scope 1+2 emissions reduction** ● Continuing from medium-term management plan 2025, we aim to achieve a Scope 1+2 reduction target at the SBT 1.5°C level by FY2030, the final year of the plan. ● Implementation in the form of energy conservation, energy creation, and energy re-generation.
	Scope 3 emissions	14.3% increase (compared to FY2021)	FY2030 **25% reduction** (compared to FY2021)	**Scope 3 emissions reduction** ● A total of 70% of GHG emissions are from Scope 3. We have established targets for reducing emissions in Categories 1 and 3, which account for the majority of GHG emissions. ● The targets we have established, together with Scope 1+2, have received SBT Near-Term Targets certification. Working with suppliers to achieve targets.

* Scope 3 reduction targets cover Categories 1 and 3

Social

TAIYO YUDEN

- We believe that employee well-being is linked to increased corporate value, achieved through higher per capita labor productivity.
- We pursue zero serious occupational accidents and HR well-being index improvement as key KPIs.

Social Value (Social) Key Performance Indicators and Major Initiatives

Indicator	FY2025 Results	Target for FY2030	Major Initiatives
No. of serious occupational accidents	Zero	Zero (FY2026 - FY2030)	**Prevent occupational accidents** ● Safety is the number one priority for employees and the Company. ● We will eliminate the occurrence of serious occupational accidents by fine-tuning foundational safety and health activities.
HR Well-Being Index	-	Improve 10% or higher	**Improve HR well-being** ● We altered the method of measuring employee engagement, which was an issue under medium-term management Plan 2025. ● We adopted a new index for human capital management that emphasizes the importance of implementing and verifying investments in human resources in a way that leads to increased corporate value and a cycle of improvement.

* We plan to begin disclosing HR Well-Being Index results in FY2026.

Shareholder Returns

TAIYO YUDEN

- Conducted responsible shareholder returns based on a dividend payout ratio of 30% and a DOE of 3.5%.
- Improve FCF, aiming for DOE standard of 4.5% in the future.

Targets for FY2021-FY2024

Dividend payout ratio
30%

Target for FY2025

Dividend payout ratio
30%

DOE
3.5%

Target for FY2030

Dividend payout ratio
30%

DOE
3.5%

Medium- and Long-Term Objectives

Dividend payout ratio
30%

DOE
4.5%

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

– Selective investment in growth markets and disciplined capital allocation to reduce cost of capital (WACC) and increase corporate value.

FY2025 Results	
PBR	1.3 times
ROE	4.5%
ROIC	3.0%
Equity ratio	56.0%
Cost of capital	8.2% to 10.8%

▼

Target for FY2030	
ROE	**15%**
ROIC	**10%**

ROIC Improvement	Sales increase	**Invest management resources in growth markets**	• Develop products for markets where demand is expected to grow, such as AI servers and automobiles • Advance the use of data through the promotion of DX to improve the accuracy of demand forecasting
		Develop high-value-added products	• Phase of profitability, beginning starting with the facilities prepared under medium-term management plan 2025 • Conduct independent profitability assessments for each product category and engage in selection and focus
	Capital structure	**Capital investments**	• Increase production capacity appropriately and build a BCP structure that responds immediately to risks, thereby supply customers with the products they need when they need them • We expect capital investments level with depreciation and amortization
		Equity ratio	• Reduce debt by financing investment CF within generated operating CF • Provide stable and responsible shareholder returns with a target payout ratio of 30% and DOE of 3.5%.
Reduce the Cost of Capital			• Strengthen stakeholder confidence in the Company through stable improvement of economic value and enhancement of social value through environmental and social activities • Continue to enhance management transparency through expanded dialogues with shareholders and investors, as well as information disclosure

* PBR is calculated based on the closing price of the Company's stock as of March 31, 2026.
* Capital cost is the Company's estimate as of March 31, 2026

Forward-looking statements

This document contains information about the plans, business results, and strategies of TAIYO YUDEN CO., LTD. and the TAIYO YUDEN Group.

These forward-looking statements other than historical facts represent judgments made by the Company based on information available at present and are inherently subject to a variety of uncertainties. TAIYO YUDEN cannot provide any guarantee as to the attainment of certain figures in the future. The Company's actual activities and business results could differ significantly due to changes including, but not limited to, changes in the electronics market in which the Company's business activities are centered. Readers should not overly rely on the information contained in this document.

TAIYO YUDEN