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(Securities Code: 6976)

June 3, 2024

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 83RD ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially notified of the 83rd 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, 2024 (Wednesday)**.

Date and Time: 2:00 p.m., June 27, 2024 (Thursday) (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 83rd Fiscal Term (from April 1, 2023, to March 31, 2024), and results of the audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board

Matters to be resolved

Proposal No. 1: Dividends of Surplus

Proposal No. 2: Partial Amendments to the Articles of Incorporation

Proposal No. 3: Election of Seven (7) Directors (Excluding Directors who are Audit & Supervisory Committee Members)

Proposal No. 4: Election of Three (3) Directors who are Audit & Supervisory Committee Members

Proposal No. 5: Election of One (1) Substitute Director who is an Audit & Supervisory Committee Member

Proposal No. 6: Determination of the Amount of Remuneration for Directors (Excluding Directors who are Audit & Supervisory Committee Members)

Proposal No. 7: Determination of the Amount of Remuneration for Directors who are Audit & Supervisory Committee Members

Proposal No. 8: Determination of the Amount and Content of Stock Remuneration for Directors (Excluding Directors who are Audit & Supervisory Committee Members and Non-executive Directors including Outside Directors)

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Dividends of Surplus

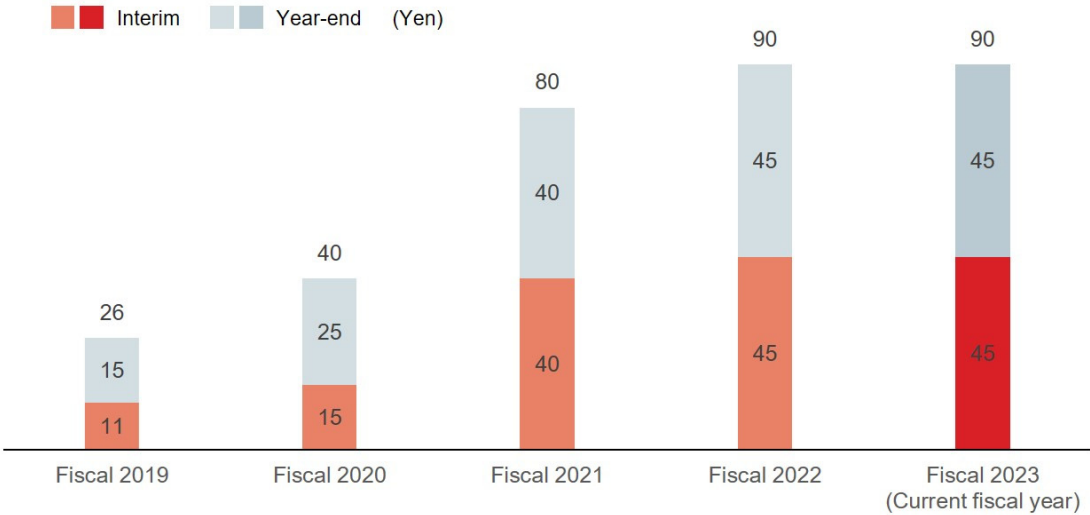
The Company considers one of the most important issues for management to be the distribution of plentiful returns to its shareholders and strives to realize a steady increase of dividend.

It is proposed that the year-end dividend for the fiscal year under review be ¥45 per share as follows.

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: ¥5,608,219,005
- 3. Effective date for dividends of surplus:
June 28, 2024

[Reference] Dividend per share



►For the basic policy regarding dividends of surplus, etc., refer to page 43.

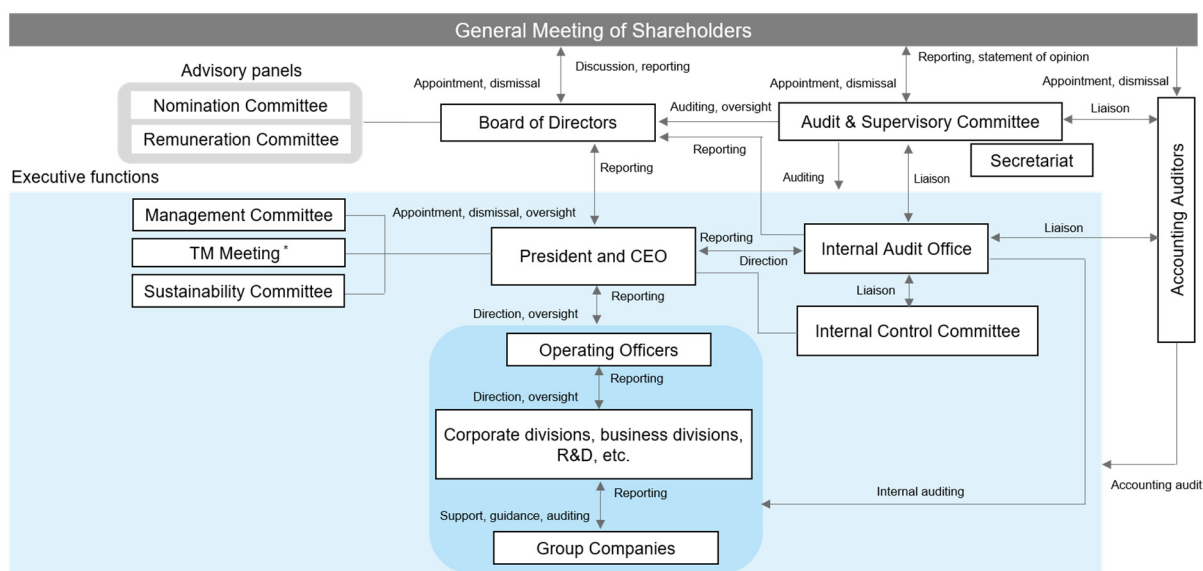
[Reference] About the Transition to a Company with an Audit & Supervisory Committee

The Company proposes to transition to a Company with an Audit & Supervisory Committee subject to the approval of Proposal No. 2: Partial Amendments to the Articles of Incorporation. Each of Proposal No. 2 through to Proposal No. 8 relate to this transition, and therefore, when making these proposals, we will explain the purpose of the transition to a Company with an Audit & Supervisory Committee and will also provide an overview of the transition.

• Purpose of the Transition

Through the transition to a Company with an Audit & Supervisory Committee, 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 & Supervisory Committee Members (including a plurality of Outside Directors) 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.

• Governance Structure After the Transition



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

• Overview of the Transition

Company with an Audit & Supervisory Board (Current Structure)		Company with an Audit & Supervisory Committee (Structure After the Transition)	Applicable Proposal			
Organizations Subject to Change	Audit & Supervisory Board	Audit & Supervisory Committee				
Appointment	Appointment of Directors and Audit & Supervisory Board Members	Appointment Distinguishing Directors who are Audit & Supervisory Committee Members and other Directors				
Term of Office	Directors: 1 year	Directors (excluding Directors who are Audit & Supervisory Committee Members): 1 year	Proposal No. 2			
	Audit & Supervisory Board Members: 4 years	Directors who are Audit & Supervisory Committee Members: 2 years				
Important Decisions on the Execution of Business	Cannot be delegated to Directors	With the exception of where prescribed by law, all or some may be delegated to Directors (excluding Directors who are Audit & Supervisory Committee Members)				
Composition	Directors (including 3 Outside Directors) : 7	Directors (including 5 Outside Directors): 10				
	Audit & Supervisory Board Members: 4 (including 2 Outside Audit & Supervisory Board Members)	<table border="1"> <tr> <td>Directors (excluding Directors who are Audit & Supervisory Committee Members): 7 (including 3 Outside Directors)</td> <td>Proposal No. 3</td> </tr> <tr> <td>Directors who are Audit & Supervisory Committee Members: 3 (including 2 Outside Directors)</td> <td>Proposal No. 4</td> </tr> </table>	Directors (excluding Directors who are Audit & Supervisory Committee Members): 7 (including 3 Outside Directors)	Proposal No. 3	Directors who are Audit & Supervisory Committee Members: 3 (including 2 Outside Directors)	Proposal No. 4
Directors (excluding Directors who are Audit & Supervisory Committee Members): 7 (including 3 Outside Directors)	Proposal No. 3					
Directors who are Audit & Supervisory Committee Members: 3 (including 2 Outside Directors)	Proposal No. 4					
Remuneration for directors (and other officers)	Cash	Directors (including Outside Directors) ¥500 million or less per year (including ¥40 million or less to Outside Directors)	Directors (excluding Directors who are Audit & Supervisory Committee Members): ¥500 million or less per year (including ¥40 million or less to Outside Directors)	Proposal No. 6		
		Audit & Supervisory Board Members ¥8 million or less per month	Directors who are Audit & Supervisory Committee Members ¥8 million or less per month	Proposal No. 7		
	Stock remuneration	Directors (excluding Non-executive Directors including Outside Directors)	Directors (excluding Directors who are Audit & Supervisory Committee Members and Non-executive Directors including Outside Directors)	Proposal No. 8		
		Stock compensation-type stock options <ul style="list-style-type: none"> • ¥200 million or less per year • The total number of share acquisition rights (upper limit): 500 units • Up to 50,000 shares of the common stock of the Company 	Restricted stock remuneration by position <ul style="list-style-type: none"> • ¥50 million or less per year • Up to 12,500 shares of the common stock of the Company Performance-based post-delivery restricted stock remuneration <ul style="list-style-type: none"> • ¥150 million or less per year • Up to 37,500 shares of the common stock of the Company 			

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) Through the transition to a Company with an Audit & Supervisory Committee, 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 & Supervisory Committee Members (including a plurality of Outside Directors) 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. Along with this transition, the Company will newly establish provisions regarding the Audit & Supervisory Committee and Directors who are Audit & Supervisory Committee Members, delete the provisions regarding the Audit & Supervisory Board and Audit & Supervisory Board Members, and newly establish the Supplementary Provisions as transitional measures accompanying the deletion of the provisions regarding the exemption of Audit & Supervisory Board Members from liability.
- (2) For the convenience of shareholders who own shares less than one unit, the Company will introduce a system to allow for additional purchase of shares less than one unit as stipulated in Article 194 of the Companies Act, and will newly establish Article 9 (Rights Regarding Shares Less Than One Unit) and Article 10 (Additional Purchase of Shares Less Than One Unit) to clarify the rights that may be exercised with respect to shares less than one unit.
- (3) In addition, the Company will make other necessary changes, such as deleting articles based on the former Commercial Code, changing the article numbers, adding and deleting article text, reorganizing wordings, and revising expressions.

2. Description of the amendment

The description of the amendments is as follows.

Please note that the amended Articles of Incorporation will become effective at the conclusion of this Ordinary General Meeting of Shareholders.

(Underlined parts are to be amended.)

Current	Proposed amendment
CHAPTER I GENERAL PROVISIONS	CHAPTER I GENERAL PROVISIONS
(Trade Name) Article 1 The name of the Company shall be “TAIYO YUDEN Kabushiki Kaisha” and in English, “TAIYO YUDEN CO., LTD.”	(Trade Name) Article 1 The name of the Company shall be “TAIYO YUDEN Kabushiki Kaisha” and in English, “TAIYO YUDEN CO., LTD.” (Change in Japanese only; English unchanged)
(Purpose) Article 2 The purpose of the Company is to conduct the following business. 1.-11. (Omitted)	(Purpose) Article 2 The purpose of the Company is to conduct the following business. (Change in Japanese only; English unchanged) 1.-11. (Same as current)
(Location of Head Office) Article 3 The head office of the Company shall be located in Chuo-ku, Tokyo.	(Location of Head Office) Article 3 The head office of the Company shall be located in Chuo-ku, Tokyo. (Change in Japanese only; English unchanged)
(Organization) Article 4 The Company shall have the following organizations in addition to the General Meeting of Shareholders and Directors. (1) Board of Directors	(Organization) Article 4 The Company shall have the following organizations in addition to the General Meeting of Shareholders and Directors. (1) Board of Directors

Current	Proposed amendment
<p>(2) <u>Audit & Supervisory Board Members</u> (3) <u>Audit & Supervisory Board</u> (4) Accounting Auditors</p>	<p>(2) <u>Audit & Supervisory Committee</u> (Delete) (3) Accounting Auditors</p>
Article 5 (Omitted)	Article 5 (Same as current)
<p style="text-align: center;">CHAPTER II SHARES</p>	<p style="text-align: center;">CHAPTER II SHARES</p>
(Total Number of Shares Authorized to be Issued)	(Total Number of Shares Authorized to be Issued)
Article 6	Article 6
<p>The total number of shares authorized to be issued by the Company shall be 300,000,000 shares.</p>	<p>The total number of shares authorized to be issued by the Company shall be 300,000,000 shares. (Change in Japanese only; English unchanged)</p>
Articles 7–8 (Omitted)	Articles 7–8 (Same as current)
(New)	<u>(Rights Regarding Shares Less Than One Unit)</u>
(New)	<u>Article 9</u>
	<p><u>Shareholders of the Company may not exercise rights other than those listed below with respect to shares less than one unit they hold:</u></p>
	<p><u>(1) Rights listed in the items of Article 189, paragraph 2 of the Companies Act;</u></p>
	<p><u>(2) Right to make a demand under Article 166, paragraph 1 of the Companies Act;</u></p>
	<p><u>(3) Right to receive an allotment of offered shares and offered share acquisition rights in proportion to the number of shares held by the shareholders; and</u></p>
	<p><u>(4) Right to make the request prescribed in the following article.</u></p>
(New)	<u>(Additional Purchase of Shares Less Than One Unit)</u>
	<u>Article 10</u>
	<p><u>Shareholders of the Company may, pursuant to the Share Handling Regulations, demand the sale of a number of shares which, together with the number of shares less than one unit they hold, constitute one share unit.</u></p>
Articles 9–11 (Omitted)	Articles 11–13 (Same as current)
<p style="text-align: center;">CHAPTER III GENERAL MEETING OF SHAREHOLDERS</p>	<p style="text-align: center;">CHAPTER III GENERAL MEETING OF SHAREHOLDERS</p>
(Convocation)	(Convocation)
Article 12	Article 14
<p>1. An Ordinary General Meeting of Shareholders of the Company shall be convened within three (3) months following the last day of each business year.</p>	<p>1. An Ordinary General Meeting of Shareholders of the Company shall be convened within three (3) months following the last day of each business year. (Change in Japanese only; English unchanged)</p>
2. (Omitted)	2. (Same as current)
Articles 13–16 (Omitted)	Articles 15–18 (Same as current)
<p style="text-align: center;">CHAPTER IV DIRECTORS AND THE BOARD OF DIRECTORS</p>	<p style="text-align: center;">CHAPTER IV DIRECTORS AND THE BOARD OF DIRECTORS</p>
(Number of Directors)	(Number of Directors)

Current	Proposed amendment
<p>Article <u>17</u></p> <p>The number of Directors of the Company shall be ten (10) or less.</p> <p style="text-align: right;">(New)</p>	<p>Article <u>19</u></p> <p>1. <u>The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) of the Company shall be ten (10) or less.</u></p> <p>2. <u>The number of Directors who are Audit & Supervisory Committee Members of the Company shall be five (5) or less.</u></p>
<p>(Method of Election)</p>	<p>(Method of Election)</p>
<p>Article <u>18</u></p> <p>1. Directors shall be elected at the General Meeting of Shareholders.</p> <p>2. (Omitted)</p> <p>3. (Omitted)</p> <p style="text-align: right;">(New)</p> <p style="text-align: right;">(New)</p>	<p>Article <u>20</u></p> <p>1. Directors shall be elected at the General Meeting of Shareholders, <u>distinguishing Directors who are Audit & Supervisory Committee Members from other Directors.</u></p> <p>2. (Same as current)</p> <p>3. (Same as current)</p> <p>4. <u>In accordance with the provisions of Article 329, paragraph 3 of the Companies Act, in order to prepare for a case when the number of Directors who are Audit & Supervisory Committee Members stipulated by laws and regulations might be insufficient, the Substitute Directors who are Audit & Supervisory Committee Members shall be appointed at the General Meeting of Shareholders.</u></p> <p>5. <u>The effective term of the resolution for election of Substitute Director who is an Audit & Supervisory Committee Member set forth in the preceding paragraph shall expire at the beginning of the Ordinary General Meeting of Shareholders relating to the last business year that ends within two (2) years after their election.</u></p>
<p>(Term of Office)</p>	<p>(Term of Office)</p>
<p>Article <u>19</u></p> <p>The term of office of Directors shall expire at the close of the Ordinary General Meeting of Shareholders relating to the last business year that ends within one (1) year after their election.</p> <p style="text-align: right;">(New)</p> <p style="text-align: right;">(New)</p>	<p>Article <u>21</u></p> <p>1. <u>The term of office of Directors (excluding Directors who are Audit & Supervisory Committee Members) shall expire at the close of the Ordinary General Meeting of Shareholders relating to the last business year that ends within one (1) year after their election.</u></p> <p>2. <u>The term of office of Directors who are Audit & Supervisory Committee Members shall expire at the close of the Ordinary General Meeting of Shareholders relating to the last business year that ends within two (2) years after their election.</u></p> <p>3. <u>The term of office of a Director who is an Audit & Supervisory Committee Member who is elected as the substitute for a Director who is an Audit & Supervisory Committee Member who retired before the expiration of their term of office shall continue until the time the term of office of the Director who is an Audit & Supervisory Committee Member who retired from office is to expire.</u></p>
<p>(Representative Directors)</p>	<p>(Representative Directors)</p>
<p>Article <u>20</u></p> <p>The Company shall appoint the Representative Directors by resolution of the Board of Directors.</p>	<p>Article <u>22</u></p> <p>The Company shall appoint the Representative Directors <u>from among Directors (excluding Directors who are Audit & Supervisory Committee Members)</u> by resolution of the Board of Directors.</p>

Current	Proposed amendment
<p>(Convener and Chairperson of the Board of Directors Meeting)</p> <p>Article <u>21</u> (Omitted)</p> <p style="text-align: center;">(New)</p>	<p>(Convener and Chairperson of the Board of Directors Meeting)</p> <p>Article <u>23</u> (Same as current)</p> <p style="padding-left: 20px;">2. <u>In the event that the Director set forth in the preceding paragraph is unable to act, another Director shall take their place in the order predetermined by the Board of Directors.</u></p>
<p>(Notice of Convocation of the Board of Directors Meeting)</p> <p>Article <u>22</u></p> <ol style="list-style-type: none"> 1. A notice of the convocation of the meeting of the Board of Directors shall be issued to each Director <u>and Audit & Supervisory Board Member</u> at least three (3) days prior to the date of such meeting. However, such period may be shortened in case of emergency. 2. When all Directors <u>and Audit & Supervisory Board Members</u> give unanimous consent, the meeting of the Board of Directors may be held without following the convocation procedure. 	<p>(Notice of Convocation of the Board of Directors Meeting)</p> <p>Article <u>24</u></p> <ol style="list-style-type: none"> 1. A notice of the convocation of the meeting of the Board of Directors shall be issued to each Director at least three (3) days prior to the date of such meeting. However, such period may be shortened in case of emergency. 2. When all Directors give unanimous consent, the meeting of the Board of Directors may be held without following the convocation procedure.
<p>(Omission of Resolution by the Board of Directors)</p> <p>Article <u>23</u></p> <p>The Company may deem that resolution at the meeting of the Board of Directors to approve <u>the matter that requires resolution at the meeting of the Board of Directors</u> has been adopted, when all Directors have given their consents <u>thereto</u> in writing or through electronic record, <u>except for the case where any of the Audit & Supervisory Board Members raises objection against it.</u></p>	<p>(Omission of Resolution by the Board of Directors)</p> <p>Article <u>25</u></p> <p>The Company may deem that <u>resolutions to approve proposals have been adopted by the Board of Directors for proposals submitted by Directors regarding matters subject to resolution by the Board of Directors</u>, when all Directors <u>(limited to those who are entitled to participate in the vote on such matters)</u> have given their consents <u>to the proposals</u> in writing or through electronic record.</p>
<p>Articles <u>24</u> (Omitted)</p>	<p>Article <u>26</u> (Same as current)</p>
<p>(Remuneration)</p> <p>Article <u>25</u></p> <p>Remuneration, bonuses, and all other financial benefits received by Directors from the Company in consideration of execution of the duties (<u>hereinafter referred to as "Remuneration"</u>) shall be determined by resolution of the General Meeting of Shareholders.</p>	<p>(Remuneration)</p> <p>Article <u>27</u></p> <p>Remuneration, bonuses, and all other financial benefits received by Directors from the Company in consideration of execution of the duties shall be determined by resolution of the General Meeting of Shareholders, <u>distinguishing Directors who are Audit & Supervisory Committee Members from other Directors.</u></p>
<p>Article <u>26</u> (Omitted)</p> <p style="text-align: center;">(New)</p>	<p>Article <u>28</u> (Same as current)</p> <p><u>(Delegation of Decisions on Execution of Significant Business to Directors)</u></p> <p>Article <u>29</u></p> <p><u>The Company may, pursuant to the provisions of Article 399-13, paragraph 6 of the Companies Act, delegate all or part of the decisions on important business execution (excluding the matters listed in the items of paragraph 5 of that Article) to the Directors by resolution of the Board of Directors.</u></p>

Current	Proposed amendment
<p style="text-align: center;">CHAPTER V <u>AUDIT & SUPERVISORY BOARD MEMBERS AND THE AUDIT & SUPERVISORY BOARD</u></p>	<p style="text-align: center;">CHAPTER V <u>AUDIT & SUPERVISORY COMMITTEE</u></p>
<p>(Number of Members)</p>	<p>(Delete)</p>
<p><u>Article 27</u></p>	
<p><u>The number of Audit & Supervisory Board Members of the Company shall be five (5) or less.</u></p>	
<p>(Method of Election)</p>	<p>(Delete)</p>
<p><u>Article 28</u></p>	
<ol style="list-style-type: none"> 1. <u>Audit & Supervisory Board Members shall be elected at the General Meeting of Shareholders.</u> 2. <u>Resolution for election of Audit & Supervisory Board Members shall be adopted by an affirmative vote of the majority of voting rights of shareholders present at the General Meeting of Shareholders, a quorum for which shall be the presence of shareholders with one-third (1/3) or more of the voting rights exercisable for such meeting.</u> 3. <u>In accordance with the provisions of Article 329, paragraph 3 of the Companies Act, in order to prepare for a case when the number of Audit & Supervisory Board Members stipulated by laws and regulations might be insufficient, the Substitute Audit & Supervisory Board Members shall be appointed at the General Meeting of Shareholders.</u> 4. <u>The effective term of the resolution for election of Substitute Audit & Supervisory Board Member set forth in the preceding paragraph shall expire at the beginning of the Ordinary General Meeting of Shareholders relating to the last business year that ends within four (4) years after their election.</u> 	
<p>(Term of Office)</p>	<p>(Delete)</p>
<p><u>Article 29</u></p>	
<ol style="list-style-type: none"> 1. <u>The term of office of Audit & Supervisory Board Members shall expire at the close of the Ordinary General Meeting of Shareholders relating to the last business year that ends within four (4) years after their election.</u> 2. <u>Based on paragraph 3 of the preceding article, the term of office of Audit & Supervisory Board Members assumed by Substitute Audit & Supervisory Board Member shall be the remaining term of their predecessors.</u> <u>However, that such term shall not exceed the closing of the Ordinary General Meeting of Shareholders relating to the last business year that ends within four (4) years after their election.</u> 	
<p>(Full-time <u>Audit & Supervisory Board Members</u>)</p>	<p>(Full-time <u>Audit & Supervisory Committee Members</u>)</p>
<p><u>Article 30</u></p>	<p><u>Article 30</u></p>
<p><u>The Audit & Supervisory Board shall appoint the Full-time Audit & Supervisory Board Members by resolution.</u></p>	<p><u>The Audit & Supervisory Committee may appoint the Full-time Audit & Supervisory Committee Members by resolution.</u></p>
<p>(Notice of Convocation of the <u>Audit & Supervisory Board Meeting</u>)</p>	<p>(Notice of Convocation of the <u>Audit & Supervisory Committee Meeting</u>)</p>

Current	Proposed amendment
<p>Article 31</p> <ol style="list-style-type: none"> 1. A notice of the convocation of the <u>meeting of the Audit & Supervisory Board</u> shall be issued to each <u>Audit & Supervisory Board member</u> at least three (3) days prior to the date of such meeting. However, such period may be shortened in case of emergency. 2. When all <u>Audit & Supervisory Board Members</u> give unanimous consent, the <u>meeting of the Audit & Supervisory Board</u> may be held without following the convocation procedure. 	<p>Article 31</p> <ol style="list-style-type: none"> 1. A notice of the convocation of the <u>meeting of the Audit & Supervisory Committee</u> shall be issued to each <u>Audit & Supervisory Committee Member</u> at least three (3) days prior to the date of such meeting. However, such period may be shortened in case of emergency. 2. When all <u>Audit & Supervisory Committee Members</u> give unanimous consent, the <u>meeting of the Audit & Supervisory Committee</u> may be held without following the convocation procedure.
<p><u>(Regulations of the Audit & Supervisory Board)</u></p>	<p><u>(Regulations of the Audit & Supervisory Committee)</u></p>
<p>Article 32</p> <p>Any matter relating to the <u>Audit & Supervisory Board</u> shall be governed by laws and regulations, the Articles of Incorporation as well as the <u>Regulations of the Audit & Supervisory Board</u> established by the <u>Audit & Supervisory Board</u>.</p>	<p>Article 32</p> <p>Any matter relating to the <u>Audit & Supervisory Committee</u> shall be governed by laws and regulations, the Articles of Incorporation as well as the <u>Regulations of the Audit & Supervisory Committee</u> established by the <u>Audit & Supervisory Committee</u>.</p>
<p><u>(Remuneration)</u></p>	<p>(Delete)</p>
<p>Article 33</p> <p><u>Remuneration of the Audit & Supervisory Board Members shall be determined by resolution of the General Meeting of Shareholders.</u></p>	
<p><u>(Liability Limitation Agreements with Audit & Supervisory Board Members)</u></p>	<p>(Delete)</p>
<p>Article 34</p> <p><u>In accordance with the provisions of Article 427, paragraph 1 of the Companies Act, the Company may enter into agreements with Audit & Supervisory Board Members which limit the liability for damages caused in relation to a failure to perform their duty. However, the limit on liability for damages under the said agreements shall be the amount provided in the laws and regulations.</u></p>	
<p>CHAPTER VI ACCOUNTS</p>	<p>CHAPTER VI ACCOUNTS</p>
<p>Articles <u>35–38</u> (Omitted)</p>	<p>Articles <u>33–36</u> (Same as current)</p>
<p><u>(Conversion of Convertible Bonds and Surplus Dividends)</u></p>	<p>(Delete)</p>
<p>Article 39</p> <p><u>Payment of the first surplus dividends or interim dividends to the shares issued by the conversion of convertible bonds, it shall be considered that if the conversion request was made between April 1 and September 30, the conversion was made on April 1 and shall pay. Similarly, it shall be considered that if the conversion request was made between October 1 and March 31 of the following year, the conversion was made on October 1.</u></p>	
<p>(New)</p>	<p><u>[Supplementary Provisions]</u> <u>(Transitional Measures Relating to Liability Limitation Agreements with Audit & Supervisory Board Members)</u> <u>Agreements to limit any liability for damages under Article 423, paragraph 1 of the Companies Act relating to acts by Audit & Supervisory Board Members (including those who</u></p>

Current	Proposed amendment
	<u>were Audit & Supervisory Board Members) prior to the close of the 83rd Ordinary General Meeting of Shareholders shall be governed in accordance with Article 34 of the Articles of Incorporation prior to the amendments made by resolution at the said Ordinary General Meeting of Shareholders.</u>

Proposal No. 3: Election of Seven (7) Directors (Excluding Directors who are Audit & Supervisory Committee Members)

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transition to being a Company with an Audit & Supervisory Committee at the conclusion of this General Meeting of Shareholders, and the terms of office of all seven (7) Directors will expire.

Therefore, the Company hereby requests that seven (7) Directors (excluding Directors who are Audit & Supervisory Committee Members; the same applies hereinafter in this proposal) be elected.

Please note that the effectiveness of the resolution for this proposal shall be subject to the amendments to the Articles of Incorporation stated in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” taking effect.

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.

The candidates for Director are as follows:

Candidate No.	Name		Position and responsibilities	Attendance at meetings of the Board of Directors	Term of office
1	Katsuya Sase	Reappointment Male	Representative Director, President and Chief Executive Officer	100% (18/18 times)	8 years
2	Shoichi Tosaka	Reappointment Male	Chairperson and Director	100% (18/18 times)	18 years
3	Tomomitsu Fukuda	Reappointment Male	Director, Executive Operating Officer, in charge of Management Planning	100% (18/18 times)	3 years
4	Toshiyuki Watanabe	New appointment Male	Senior Operating Officer, in charge of Sales	—	—
5	Masashi Hiraiwa	Reappointment Outside Independent Male	Outside Director (Independent Officer)	100% (18/18 times)	8 years
6	Seiichi Koike	Reappointment Outside Independent Male	Outside Director (Independent Officer)	100% (18/18 times)	6 years
7	Emiko Hamada	Reappointment Outside Independent Female	Outside Director (Independent Officer)	100% (18/18 times)	5 years

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

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

3. 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.

4. 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.

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%	8 years	4,800 shares



Career summary, position and responsibilities

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.

Note: No special interests exist between the Company and Mr. Katsuya Sase.

2 Shoichi Tosaka

(Date of birth: August 5, 1955)

Attendance at meetings of the Board of Directors	Term of office	Number of Company shares held
100%	18 years	15,100 shares



Career summary, position and responsibilities

March 1979	Joined the Company
June 2006	Director and Senior Operating Officer of the Company
April 2007	Senior Executive Director and Senior Operating Officer of the Company
July 2010	Director and Senior Executive Operating Officer of the Company
July 2012	Director and Executive Operating Officer of the Company
April 2015	Director and Senior Executive Operating Officer of the Company
October 2015	Representative Director and Senior Executive Operating Officer of the Company
November 2015	President and Chief Executive Officer of the Company
June 2023	Chairperson and Director of the Company (to the present)

Reappointment

Reasons for appointment of candidate for Director

Since joining the Company, Mr. Shoichi Tosaka has been involved in technology development and business operation, has served as President and Chief Executive Officer of the Company since 2015, and has a wealth of experience and a good track record as a corporate manager. Currently, as Chairperson and Director of the Company, he appropriately supervises the smooth operation of the Board of Directors as well as the execution of decision making on important matters for management and business execution. For these reasons, Mr. Tosaka 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.

Note: No special interests exist between the Company and Mr. Shoichi Tosaka.

3 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%	3 years	3,100 shares



Career summary, position and responsibilities

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, 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.

Note: No special interests exist between the Company and Mr. Tomomitsu Fukuda.

4 Toshiyuki Watanabe

(Date of birth: April 25, 1962)

Attendance at meetings of the Board of Directors	Term of office	Number of Company shares held
—	—	6,300 shares



Career summary, position and responsibilities

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

New appointment

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 an 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 newly appointed 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.

Note: No special interests exist between the Company and Mr. Toshiyuki Watanabe.

5 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%	8 years	0	0 shares



Career summary, position and responsibilities

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)

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.

Significant concurrent positions and relationship with the Company

Organizations where concurrent positions are held	Position	Business relationship between the Company and the organizations where concurrent positions are held	Transaction size relative to consolidated net sales of the Company
OHHARA LAW OFFICE	Attorney	None	—
SAZABY LEAGUE, Ltd.	Director	None	—

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.

- Notes: 1. No special interests exist between the Company and Mr. Masashi Hiraiwa.
2. Mr. Masashi Hiraiwa 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. Masashi Hiraiwa does 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.

6 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%	6 years	1	0 shares



Career summary, position and responsibilities

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)
Reappointment Outside Independent	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)

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.

Significant concurrent positions and relationship with the Company

Organizations where concurrent positions are held	Position	Business relationship between the Company and the organizations where concurrent positions are held	Transaction size relative to consolidated net sales of the Company
Pixie Dust Technologies, Inc.	Outside Audit & Supervisory Board Member	Purchasing of test system, etc.	Less than 0.1%

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.

- Notes: 1. No special interests exist between the Company and Mr. Seiichi Koike.
2. Mr. Seiichi Koike 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. Seiichi Koike does 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.

7 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%	5 years	1	1,000 shares



Career summary, position and responsibilities

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)

Reappointment
Outside
Independent

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.

Significant concurrent positions and relationship with the Company

Organizations where concurrent positions are held	Position	Business relationship between the Company and the organizations where concurrent positions are held	Transaction size relative to consolidated net sales of the Company
NGK INSULATORS, LTD.	Outside Director	Purchase of ceramic products	Less than 0.2%

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

2. 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.

3. Ms. Emiko Hamada's legal name registered in the family register is Emiko Kato.

Proposal No. 4: Election of Three (3) Directors who are Audit & Supervisory Committee Members

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transition to being a Company with an Audit & Supervisory Committee at the conclusion of this General Meeting of Shareholders.

Therefore, the Company hereby requests that three (3) Directors who are Audit & Supervisory Committee Members be elected.

Please note that the effectiveness of the resolution for this proposal shall be subject to the amendments to the Articles of Incorporation stated in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” taking effect.

This proposal has been consented by the Audit & Supervisory Board.

The candidates for Directors who are Audit & Supervisory Committee Members are as follows:

Candidate No.	Name		Position and responsibilities
1	Toshimitsu Honda	New appointment Male	Audit & Supervisory Board Member (Full-time)
2	Tomomi Fujita	New appointment Outside Independent Female	Outside Audit & Supervisory Board Member (Independent Officer)
3	Tomoko Tsunoda	New appointment Outside Independent Female	-

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

2. No special interests exist between the Company and each candidate.

3. 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 Mr. Toshimitsu Honda and Ms. Tomomi Fujita, 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. In addition, if the appointment of Mr. Toshimitsu Honda, Ms. Tomomi Fujita, and Ms. Tomoko Tsunoda is approved, the Company plans to newly enter into a similar agreement with them.

4 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.

1 Toshimitsu Honda

(Date of birth: October 6, 1958)

Number of Company
shares held

24,600 shares



Career summary, position and responsibilities

March 1981	Joined the Company
April 2006	General Manager, Production Department 2, Capacitor Product Division, Business Headquarters of the Company
October 2007	President of TAIYO YUDEN (PHILIPPINES), INC.
April 2014	General Manager, Quality Assurance Managing Department, Quality Assurance Headquarters of the Company
April 2016	Operating Officer of the Company
May 2018	Senior Operating Officer of the Company
June 2020	Executive Operating Officer of the Company
June 2023	Full-time Audit & Supervisory Board Member of the Company (to the present)

New appointment

Reasons for appointment of candidate for Director who is an Audit & Supervisory Committee Member

Since joining the Company, Mr. Toshimitsu Honda has been engaged in business at the Production Department and Quality Assurance Department, etc., has also gained abundant experience and knowledge in business operations through his work as manager of the Company's Philippines subsidiary, and has been conducting appropriate audits on the Group's business operations and compliance risk system as an Audit & Supervisory Board Member of the Company. For these reasons, it was judged that he would be able to utilize the auditing experience he has gained at the Company to play an appropriate role in providing suggestions for the execution of business and strengthening the management oversight function. Therefore, he was appointed as a candidate for Director who is an Audit & Supervisory Committee Member.

2 Tomomi Fujita

(Date of birth: November 4, 1980)

Number of officer positions concurrently held at listed companies	Number of Company shares held
1	0 shares



New appointment
Outside
Independent

Career summary, position and responsibilities

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

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

Ms. Tomomi Fujita has abundant experience as an attorney and thorough knowledge of legal affairs in general and corporate legal affairs in particular, contributes to ensuring the appropriateness of the decisions of the Board of Directors based on her strong expertise and insight as an Outside Audit & Supervisory Board Member of the Company. In addition, she makes use of her legal knowledge and experience to audit the execution of business in general. For these reasons, it was judged that she would be able to utilize the auditing experience she has gained at the Company to play an appropriate role in providing suggestions for the execution of business and strengthening the management oversight function from a neutral and objective position based on her expertise. Therefore, she was appointed as a candidate for Outside Director who is an Audit & Supervisory Committee Member.

Although Ms. Fujita 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 who is an Audit & Supervisory Board Member.

Significant concurrent positions and relationship with the Company

Organizations where concurrent positions are held	Position	Business relationship between the Company and the organizations where concurrent positions are held	Transaction size relative to consolidated net sales of the Company
Innoventier	Partner	None	—
TAKUMA CO., LTD	Outside Director (Audit & Supervisory Committee Member)	None	—

Independence of the candidate

If the appointment of Ms. Tomomi Fujita is approved, the Company plans to designate her as an independent officer as prescribed by the Tokyo Stock Exchange.

- Notes: 1. Ms. Tomomi Fujita is a candidate for Outside Director as stipulated in Article 2, paragraph (3), item (vii) of the Ordinance for Enforcement of the Companies Act.
2. Ms. Tomomi Fujita does 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.
3. Ms. Tomomi Fujita's legal name registered in the family register is Tomomi Okada.

3 Tomoko Tsunoda

(Date of birth: April 9, 1971)

Number of officer positions concurrently held at listed companies	Number of Company shares held
2	0 shares



Career summary, position and responsibilities

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

New appointment
Outside
Independent

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

As a certified public accountant, Ms. Tomoko Tsunoda has abundant experience and expertise in corporate accounting, as well as knowledge as a manager and experience as an Outside Director and Outside Audit & Supervisory Board Member at other companies. For these reasons, it was judged that she would be able to play an appropriate role in providing suggestions for the execution of business and strengthening the management oversight function from a neutral and objective position based on her expertise. Therefore, she was newly appointed as a candidate for Outside Director who is an Audit & Supervisory Committee Member.

Significant concurrent positions and relationship with the Company

Organizations where concurrent positions are held	Position	Business relationship between the Company and the organizations where concurrent positions are held	Transaction size relative to consolidated net sales of the Company
Tomoko Tsunoda Certified Public Accountant Office	Representative	None	—
Lumiere Ltd.	Representative Director	None	—
Housecom Corporation	Outside Director	None	—
KATITAS Co., Ltd.	Outside Audit & Supervisory Board Member	None	—

Independence of the candidate

If the appointment of Ms. Tomoko Tsunoda is approved, the Company plans to designate her as an independent officer as prescribed by the Tokyo Stock Exchange.

- Notes: 1. Ms. Tomoko Tsunoda is a candidate for Outside Director as stipulated in Article 2, paragraph (3), item (vii) of the Regulation for Enforcement of the Companies Act.
2. Ms. Tomoko Tsunoda does 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.

Proposal No. 5: Election of One (1) Substitute Director who is an Audit & Supervisory Committee Member

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transition to being a Company with an Audit & Supervisory Committee at the conclusion of this General Meeting of Shareholders.

Therefore, in order to prepare for a case when the number of Directors who are Audit & Supervisory Committee Members stipulated by laws and regulations might be insufficient, the Company hereby requests that one (1) substitute Director who is an Audit & Supervisory Committee Member be elected in advance.

The resolution to approve this Proposal shall enter effect on the condition that the amendments to the Articles of Incorporation stated in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” take effect, and shall remain in effect until the start of the final general shareholders’ meeting for the fiscal year ending within two years after the resolution, pursuant to the provisions of the Articles of Incorporation.

In addition, 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 & Supervisory Committee.

This proposal has been consented by the Audit & Supervisory Board.

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

Hiroshi Arai

(Date of birth: June 8, 1956)

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



Career summary, position and responsibilities

April 1983	Registered as attorney (to the present)
April 1984	Established Hiroshi Arai Law Office (to the present)
June 2004	Auditor of SOGO-PR Co., Ltd. (to the present)

Outside
Independent

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

Mr. Hiroshi Arai has gained a high level of specialized knowledge and insight into corporate legal affairs through his extensive practical experience as an attorney. Based on the above, the Company has appointed him as a candidate for substitute Outside Director who is an Audit & Supervisory Committee Member as it has determined that if he were appointed as Outside Director who is an Audit & Supervisory Committee Member, he would be able to appropriately audit and supervise the execution of the business of the Company based on his expertise. Although Mr. Arai has not been involved in corporate management in ways other than being an outside officer, it was judged for the above-mentioned reasons that he would be able to appropriately execute the duties of Outside Director who is an Audit & Supervisory Committee Member.

Significant concurrent positions and relationship with the Company

Organizations where concurrent positions are held	Position	Business relationship between the Company and the organizations where concurrent positions are held	Transaction size relative to consolidated net sales of the Company
Hiroshi Arai Law Office	Attorney	None	—
SOGO-PR Co., Ltd.	Audit & Supervisory Board Members	Advertising business outsourcing	Less than 0.1%

Independence of the candidate

If the appointment of Mr. Hiroshi Arai 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. Hiroshi Arai.
 2. Mr. Hiroshi Arai 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. Hiroshi Arai 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. Hiroshi Arai 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. Hiroshi Arai 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.

[Reference] Skills Matrix

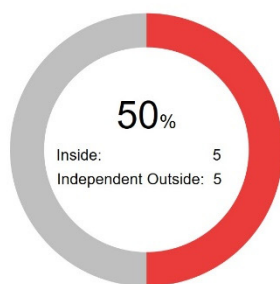
The main areas of expertise and experience of the Board of Directors following this General Meeting of Shareholders are as follows:

Name	Main areas of expertise and experience						
	Corporate management	Technology /R&D	Sales/ Marketing	International experience	Finance/ Accounting	Legal	ESG/ Sustainability
Katsuya Sase	•	•	•				•
Shoichi Tosaka	•	•					•
Tomomitsu Fukuda	•			•	•		•
Toshiyuki Watanabe	•		•	•			
Outside Independent Masashi Hiraiwa				•		•	
Outside Independent Seiichi Koike	•	•		•			
Outside Independent Emiko Hamada		•	•				•
Toshimitsu Honda (Audit & Supervisory Committee Member)	•			•			
Outside Independent Tomomi Fujita (Audit & Supervisory Committee Member)						•	•
Outside Independent Tomoko Tsunoda (Audit & Supervisory Committee Member)	•				•		•

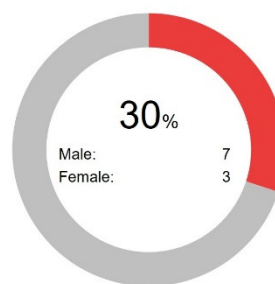
Note: Note that the table above does not necessarily show all experience and knowledge that the officers have.

Composition of the Board of Directors

Ratio of Independent Outside Directors



Ratio of Female Directors



[Reference] Policy to determine the contents of remuneration paid to each Director

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 as outlined below. Please note that the effectiveness of the resolution for this policy shall be subject to the approval of all proposals from Proposal No. 2 to Proposal No. 8.

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 & Supervisory Committee Members

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

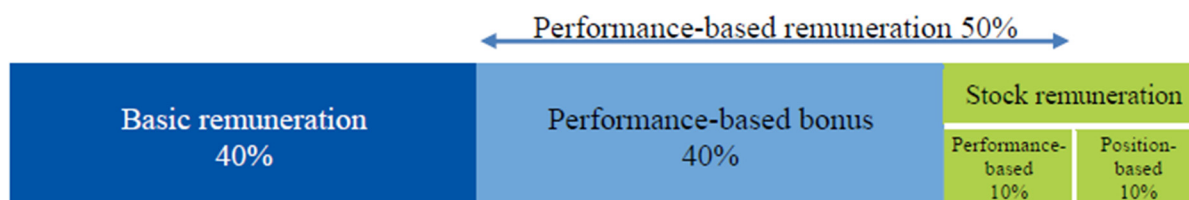
(3) Directors who are Audit & Supervisory Committee Members

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 & Supervisory Committee Members shall be determined upon consultation with Directors who are Audit & Supervisory Committee Members.

Proposal No. 6: Determination of the Amount of Remuneration for Directors (Excluding Directors who are Audit & Supervisory Committee Members)

Regarding the amount of remuneration for Directors of the Company, it was approved at the 78th Ordinary General Meeting of Shareholders held on June 27, 2019 that the upper limit of “basic remuneration” and “performance-based bonus,” which are monetary remuneration, are ¥500 million per year (including ¥40 million for Outside Directors), and it was approved at the 81st Ordinary General Meeting of Shareholders held on June 29, 2022 that the upper limit of “stock compensation-type stock options,” which is stock remuneration is ¥200 million per year, the upper limit of the total number of share acquisition rights and the number of shares is 500 shares, and the common stock of the Company is 50,000 shares, and these approvals have continued through to the present. However, if Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a Company with an Audit & Supervisory Committee. Therefore, in accordance with the provisions of Article 361, paragraph (1) and paragraph (2) of the Companies Act, the Company proposes to abolish the current Director remuneration limits, and to set the upper limit of the total amount of “basic remuneration” and “performance-based bonus,” which are monetary remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) at ¥500 million per year (including ¥40 million for Outside Directors), in consideration of various conditions including the economic situation.

It should be noted that the Company, in accordance with the provisions of Article 361, paragraph (7) of the Companies Act, at the meeting of the Board of Directors of the Company held on February 29, 2024, on the condition that Proposal No. 2 “Partial Amendments to the Articles of Incorporation,” this proposal, Proposal No. 7 “Determination of the Amount of Remuneration for Directors who are Audit & Supervisory Committee Members,” and Proposal No. 8 “Determination of the Amount and Content of Stock Remuneration for Directors (Excluding Directors who are Audit & Supervisory Committee Members and Non-executive Directors including Outside Directors)” are approved as originally proposed at this General Meeting of Shareholders, decided to amend the Policy to determine the contents of remuneration paid to each Director to the content shown in pages 26 and 27. The content of this proposal is necessary and reasonable in order to pay Directors (excluding Directors who are Audit & Supervisory Committee Members) remuneration in accordance with said policy. In addition, this proposal has been deliberated at the voluntary Remuneration Committee and determined by the Board of Directors based on the deliberation results (it should be noted that the voluntary Remuneration Committee is chaired by an Independent Outside Director and composed of the Representative Director, President and Chief Executive Officer, all Independent Outside Directors, and an Audit & Supervisory Board Member, and its majority is composed of Independent Outside Directors). Based on the above, the Company has determined that the content of this proposal is suitable.

There are currently seven (7) Directors (including three (3) Outside Directors), and if Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal No. 3 “Election of Seven (7) Directors (Excluding Directors who are Audit & Supervisory Committee Members)” are approved as originally proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) will be seven (7) (including three (3) Outside Directors).

Please note that the effectiveness of the resolution for this proposal shall be subject to the amendments to the Articles of Incorporation stated in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” taking effect.

Proposal No. 7: Determination of the Amount of Remuneration for Directors who are Audit & Supervisory Committee Members

The Company, if Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, will transition to being a Company with an Audit & Supervisory Committee. Therefore, in accordance with the provisions of Article 361, paragraph (1) and paragraph (2) of the Companies Act, the Company proposes that the upper limit of the amount of remuneration for Directors who are Audit & Supervisory Committee Members shall be set at ¥8 million per month, in consideration of various conditions including the economic situation.

The content of this proposal is necessary and reasonable for the payment of remuneration for Directors who are Audit & Supervisory Committee Members in line with the Policy to determine the contents of remuneration paid to each Director after its amendment as described in pages 26 and 27. In addition, this proposal has been deliberated at the voluntary Remuneration Committee and determined by the Board of Directors based on the deliberation results (it should be noted that the voluntary Remuneration Committee is chaired by an Independent Outside Director and composed of the Representative Director, President and Chief Executive Officer, all Independent Outside Directors, and an Audit & Supervisory Board Member, and its majority is composed of Independent Outside Directors). Based on the above, the Company has determined that the content of this proposal is suitable.

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal No. 4 “Election of Three (3) Directors who are Audit & Supervisory Committee Members” are approved as originally proposed, the number of Directors who are Audit & Supervisory Committee Members will be three (3).

Please note that the effectiveness of the resolution for this proposal shall be subject to the amendments to the Articles of Incorporation stated in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” taking effect.

Proposal No. 8: Determination of the Amount and Content of Stock Remuneration for Directors (Excluding Directors who are Audit & Supervisory Committee Members and Non-executive Directors including Outside Directors)

In regard to the amount of remuneration for Directors of the Company, it was approved at the 78th Ordinary General Meeting of Shareholders held on June 27, 2019 that the upper limits of “basic remuneration” and “performance-based bonus,” which are monetary remuneration, are ¥500 million per year (including ¥40 million for Outside Directors), and it was approved at the 81st Ordinary General Meeting of Shareholders held on June 29, 2022 that the upper limit of “stock compensation-type stock options,” which is stock remuneration for Directors (excluding Non-executive Directors including Outside Directors), is ¥200 million per year, the upper limit of the total number of share acquisition rights and the number of shares to be issued or transferred upon exercise of share acquisition rights is 500 shares each, and the common stock of the Company is 50,000 shares, and these approvals have continued through to the present. If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a Company with an Audit & Supervisory Committee; and in conjunction with this, the Company intends to grant incentives with the aim of the sustainable improvement in the corporate value of the Company to the Directors of the Company (excluding Directors who are Audit & Supervisory Committee Members and Non-executive Directors including Outside Directors; hereinafter referred to as “Eligible Directors”), and in addition, with the objective of promoting the further sharing of value with all shareholders, to review the stock remuneration system for Eligible Directors.

In conjunction with this review of the stock remuneration system, with regard to common stock of the Company that is subject to a fixed transfer restriction period and grounds for acquisition free of charge by the Company (hereinafter referred to as “restricted stock”), the Company intends to pay to Eligible Directors remuneration comprising an allocation of restricted shares requiring a fixed length of continuous service (hereinafter referred to as “restricted stock by position”), and restricted shares based on a performance evaluation period during each fiscal year in a quantity determined in accordance with the level of achievement of the performance indicators in the applicable performance evaluation period (hereinafter referred to as “performance-based post-delivery restricted stock”), as described below.

Therefore, the Company, as an amount considered suitable based on the objectives described above, and in comprehensive consideration of various circumstances such as the level of contribution of Eligible Directors at the Company, separate to the remuneration limit for which approval has been requested in Proposal No. 6 “Determination of the Amount of Remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members),” with the content shown below, proposes to set the total amount of monetary remuneration claims that are to be paid as remuneration, etc. relating to restricted stock remuneration by position and performance-based post-delivery restricted stock remuneration for Eligible Directors, and that are to be used as funds to pay for the restricted stock by position and performance-based post-delivery restricted stock, at a level within ¥50 million per year for restricted stock remuneration by position and within ¥150 million per year for performance-based post-delivery restricted stock remuneration.

In addition, the allocation of restricted stock by position and performance-based post-delivery restricted stock has been determined in comprehensive consideration of general matters such as the level of contribution of the Eligible Directors at the Company, and on the basis that the ratio of the upper limit of the number of restricted stock by position and performance-based post-delivery restricted stock that will be allocated in each fiscal year shown in 1. below against the total number of shares issued is less than 0.04 (and less than 0.4% if restricted stock by position and performance-based post-delivery restricted stock have been issued to the maximum number for the next ten (10) years), indicating that any potential dilution will be insignificant. For this reason, the Company considers the content to be suitable.

It should be noted that the content of this proposal is necessary and reasonable for the payment of remuneration for Eligible Directors in line with the Policy to determine the contents of remuneration paid to each Director after its amendment as described in pages 26 and 27. In addition, this proposal has been deliberated at the voluntary Remuneration Committee and determined by the Board of Directors based on the deliberation results (it should be noted that the voluntary Remuneration Committee is chaired by an Independent Outside Director and composed of the Representative Director, President and Chief Executive Officer, all Independent Outside Directors, and an Audit & Supervisory Board Member, and its majority is composed of Independent Outside Directors). Based on the above, the Company has determined that the content of this proposal is suitable.

In addition, on the condition of this proposal being approved, the stock compensation-type stock options remuneration amount described above shall be abolished, and there shall be no further allocation of share acquisition rights as stock compensation-type stock options based on said prescribed remuneration amount.

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal No. 3 “Election of Seven (7) Directors (Excluding Directors who are Audit & Supervisory Committee Members)” are approved as originally proposed, the number of Directors covered by the system will be three (3).

Please note that the effectiveness of the resolution for this proposal shall be subject to the amendments to the Articles of Incorporation stated in Proposal No. 2 “Partial Amendments to the Articles of Incorporation” taking effect.

1. Total number of restricted stock

The maximum number of restricted stock to be assigned to Eligible Directors in each fiscal year shall be a total of 12,500 shares of restricted stock by position and a total of 37,500 shares of performance-based post-delivery restricted stock.

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 by position and performance-based post-delivery restricted stock to be assigned due to other equivalent reason, the total number of restricted stock by position and performance-based post-delivery restricted stock may be reasonably adjusted.

It should be noted in regard to restricted stock by position that in the case of concern that the total amount of monetary remuneration claims to be paid to Eligible Directors may exceed the limit of ¥50 million per year or that the total number of shares to be assigned may exceed the limit of 12,500 shares, or, in regard to performance-based post-delivery restricted stock, in the event of concern that the total amount of monetary remuneration claims to be paid to Eligible Directors may exceed the limit of ¥150 million per year or that the total number of shares to be assigned may exceed the limit of 37,500 shares, the number of shares to be assigned to each Eligible Director in relation to the restricted stock by position or the performance-based post-delivery restricted stock shall be adjusted by a method reasonably prescribed at the Board of Directors of the Company, such as pro rating, within the range that the total number and amount are not exceeded.

2. Specific content of restricted stock by position for Eligible Directors

(1) Assignment and payment for restricted stock by position

The Company, based on the resolution of the Board of Directors of the Company, will grant monetary remuneration claims to Eligible Directors, within the range of the annual amounts described above as remuneration relating to restricted stock by position, and each Eligible Director shall receive an allocation of restricted stock by position by paying the full amount of such monetary remuneration claims as an in-kind contribution. However, in the event of the position as both Director and Operating Officer of the Company having been lost during the period from the start date of each fiscal year to the issuance of restricted stock by position, 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 by position, within the range of ¥50 million per year, including the amount of monetary remuneration claims for Eligible Directors described above.

It should be noted that the amount to be paid in for restricted stock by position 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 Eligible Directors who receive an allocation of restricted stock by position.

In addition, the monetary remuneration claim rights described above shall be paid on the condition that the Eligible Director has entered into a restricted stock allocation agreement that includes consent to the in-kind contribution described above and the content shown in (2) below.

(2) Content of allocation agreement for restricted stock by position

When allocating restricted stock by position, the restricted stock allocation agreement to be executed between the Company and the Eligible Director receiving such an allocation of restricted stock by position, based on the resolution of the Board of Directors of the Company, shall include the content described below.

(i) Restriction content

Eligible Directors who have received an allocation of restricted stock by position, for the period from the issuance date of the restricted stock by position 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 I”), 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 Eligible Director has been allocated (hereinafter referred to as “the Allocated Stock I”).

(ii) Gratis acquisition by the Company

The Company, in the event that an Eligible Director who has received an allocation of restricted stock by position has lost their position as Director and Operating Officer of the Company prior to the expiration of the period prescribed by the Board of Directors of the Company (hereinafter referred to as “Service Provision Period”), with the exception of the Board of Directors of the Company recognizing there to be justifiable grounds, shall acquire the Allocated Stock I for no charge as a matter of course.

It should be noted that of the Allocated Stock I, in the event of the restrictions on transfer not having been released based on a prescribed ground for the lifting of transfer restrictions described in (iii) below as of the time that the Transfer Restriction Period I of (i) above has expired, the Company shall acquire the Allocated Stock I for no charge as a matter of course.

(iii) Lifting of transfer restrictions

The Company shall lift the transfer restrictions of all of the Allocated Stock I upon expiration of Transfer Restriction Period I, on the condition that the Eligible Director who has received such an allocation of restricted stock by position has remained in the position of Director or Operating Officer of the Company throughout the Service Provision Period.

However, if the position of an Eligible Director as Director and Operating Officer of the Company has ended before the expiration of the Service Provision Period due to a reason the Board of Directors of the Company deems justifiable, the Company shall rationally adjust the number of the Allocated Stock I on which the transfer restrictions are to be lifted, and the timing of lifting, as needed.

(iv) Treatment during reorganization, etc.

During Transfer Restriction Period I, matters relating to a merger agreement in which the Company is the dissolving company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc., proposals 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.) (hereinafter referred to as “upon approval of organizational restructuring, etc.”), the Company shall lift the transfer restrictions on the Allocated Stock I with the number of stock that is reasonably determined considering the period from the start date of the Service Provision Period to the date of approval of the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective, by resolution of the Board of Directors of the Company.

In addition, upon approval of organizational restructuring, etc., the Company, on the day preceding the effective date of the organizational restructuring, etc., shall acquire as a matter of course the Allocated Stock I for which the transfer restrictions have not been lifted as of said date.

3. Specific content of performance-based post-delivery restricted stock for Eligible Directors

Eligible Directors, with each fiscal year as the performance evaluation period (hereinafter referred to as “Subject Period”), shall be issued monetary remuneration claims for the issuance of performance-based post-delivery restricted stock, in accordance with the level of achievement of performance

indicators in the Subject Period, and each Eligible Director shall receive an allocation of performance-based post-delivery restricted stock by paying the full amount of such monetary remuneration claims as an in-kind contribution. Therefore, whether or not these will be paid to each Eligible Director, the amount of monetary remuneration claims for the issuance of the performance-based post-delivery restricted stock to be paid, and the number of performance-based post-delivery restricted stock to be issued (hereinafter referred to as “Number of Stock to be Issued”) will not have been confirmed as of the start of the Subject Period.

It should be noted that the monetary remuneration claims described above shall be paid on the condition that the Eligible Director has entered into a performance-based post-delivery restricted stock allocation agreement that includes consent to the in-kind contribution described above and the content shown in (3) below.

The initial Subject Period shall be the 84th fiscal year (from April 1, 2024 to March 31, 2025), and thereafter, allocations of performance-based post-delivery restricted stock may be performed with each period regarded as a new Subject Period.

(1) Calculation method for the Number of Shares to be Issued

The Number of Shares to be Issued to each Eligible Director shall be calculated based on the formula shown below (it should be noted that fractions of less than one share shall be rounded down).

Number of Shares to be Issued to each Eligible Director

Performance-based remuneration amount (*1) ÷ Price per share of restricted stock (*2)

*1 To be determined by the Board of Directors of the Company in accordance with the position and role, etc. of each Eligible Director, as well as the level of achievement of the performance indicators for each Subject Period.

*2 To 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 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 Eligible Directors who receive such an allocation of restricted stock.

(2) Issuance requirements

Upon the ending of the Subject Period, if the following issuance requirements are met, the monetary remuneration claims shall be paid to each Eligible Director, and the performance-based post-delivery restricted stock shall be issued to each Eligible Director through the use of all of such monetary remuneration claims to make an in-kind contribution.

(i) The Eligible Director has continued to hold the position of Director or Operating Officer of the Company through to the end of the Subject Period.

(ii) There has been no misconduct of a certain level

(iii) Other requirements deemed necessary by the Board of Directors of the Company have been met

However, notwithstanding (i) above, in the case of an Eligible Director who has been appointed during the Subject Period, the number of shares to be issued to such Eligible Director may be reasonably adjusted based on length of tenure, etc. In addition, notwithstanding (i) above, in the event of the position as both Director and Operating Officer of the Company having been lost during the period after the ending of the Subject Period, but prior to the issuance of the performance-based post-delivery restricted stock, 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 performance-based post-delivery restricted stock, within the range of ¥150 million per year, including the amount of monetary remuneration claims for Eligible Directors described above.

In addition, in the event of a merger agreement in which the Company will become the dissolving company, a stock exchange agreement in which the Company will become a wholly owned subsidiary, a stock transfer plan, or other proposal relating to organizational restructuring, etc. having been

approved at a general shareholders' meeting of the Company (in the event, however, of the applicable organizational restructuring, etc. not requiring the approval of a general shareholders' meeting of the Company, the Board of Directors of the Company) during the Subject Period, performance-based post-delivery restricted stock shall not be issued for that Subject Period.

(3) Content of performance-based post-delivery restricted stock allocation agreement

When allocating performance-based post-delivery restricted stock, the performance-based post-delivery restricted stock allocation agreement to be executed between the Company and the Eligible Director receiving an allocation of performance-based post-delivery restricted stock, based on the resolution of the Board of Directors of the Company, shall include the content described below.

(i) Restriction content

Eligible Directors who have received an allocation of performance-based post-delivery restricted stock, for the period from the issuance date of the performance-based post-delivery 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 II"), may not transfer to a third party, set a pledge, set as collateral, gift inter vivos, bequest, or dispose in any other manner of the restricted stock that the applicable Eligible Director has been allocated (hereinafter referred to as "the Allocated Stock II").

(ii) Gratis acquisition by the Company

The Company, in the event that an Eligible Director who has received an allocation of performance-based post-delivery restricted 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 II for no charge as a matter of course.

(iii) Lifting of transfer restrictions

The Company, upon the expiration of Restriction Period II, shall release the restrictions on all of the Allocated Stock II held at that time by the Eligible Directors who received an allocation of performance-based post-delivery restricted stock.

(iv) Treatment during reorganization, etc.

If, during Restriction Period II, 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 shall lift the transfer restrictions for all of the Allocated Stock II prior to the effective date of the organizational restructuring, etc.

(Reference)

In the event of this proposal being approved as originally proposed, the Company, in addition to the Eligible Directors, plans to allocate restricted stock similar to the restricted stock by position and performance-based post-delivery restricted stock described above to the Operating Officers of the Company in lieu of share acquisition rights as stock compensation-type stock options.

BUSINESS REPORT

(from April 1, 2023 to March 31, 2024)

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.

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

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	Optimization of group base functions Safe & secure workplace	<ul style="list-style-type: none"> • Incidence rate of injuries and illness*1 < 0.016 • Accident frequency rate*2 < 0.08
ROIC	10% or higher	Work style reforms Diversity	<ul style="list-style-type: none"> • 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 capital investment of ¥300.0 billion over five years 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

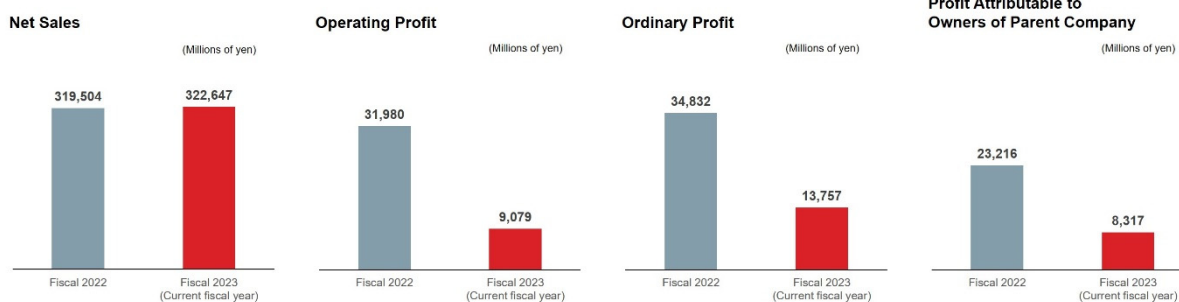
In regard to the business environment surrounding the Group this period (from April 1, 2023 to March 31, 2024), although the global economy has shown some signs of a gradual recovery, there are still signs of weaknesses in some regions, and the outlook continues to remain uncertain. Looking towards the future, it will be necessary to closely monitor the international situation and fluctuations in the financial and capital markets, etc., however it is expected that the economy will continue to recover at a moderate pace.

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 capital investment of ¥300.0 billion over five years 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 ¥322,647 million, which is an increase of 1.0% compared to the previous fiscal year. Operating profit was ¥9,079 million, a decrease of 71.6%. Ordinary profit was ¥13,757 million, a decrease of 60.5%. Profit attributable to owners of parent was ¥8,317 million, a decrease of 64.2%. Profits at each stage decreased due to a decrease in production volume of information equipment, information infrastructure/industrial equipment, etc., as well as inventory adjustments, etc.

The average foreign currency exchange rate for the fiscal year under review was US\$1: ¥143.32. This is a depreciation of ¥9.12 as compared to the average realized in the previous fiscal year of US\$1: ¥134.20.

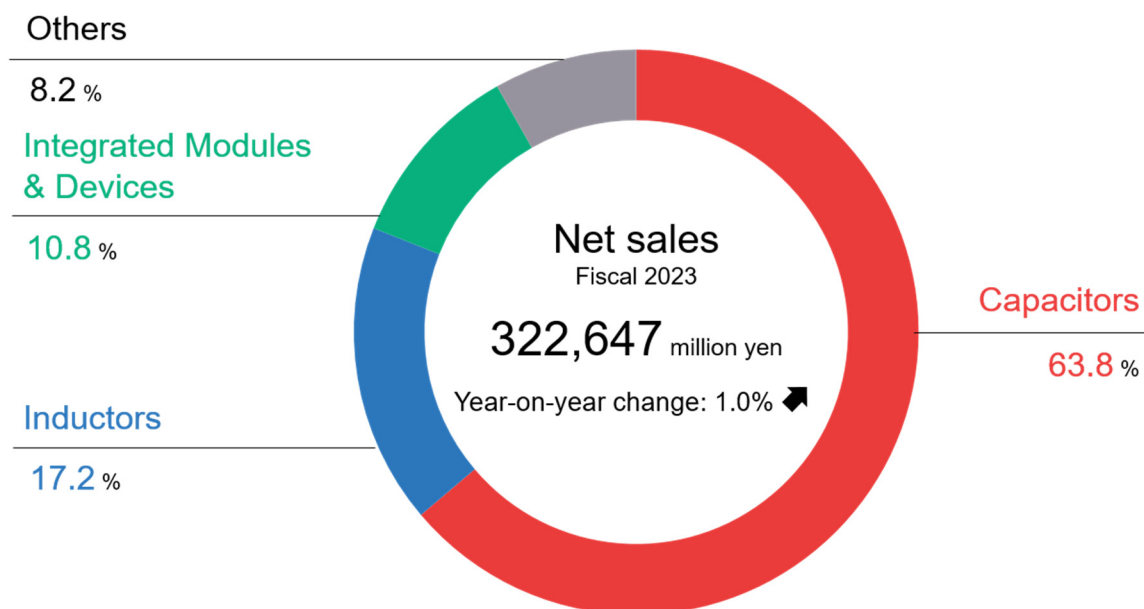
Financial results of the Group



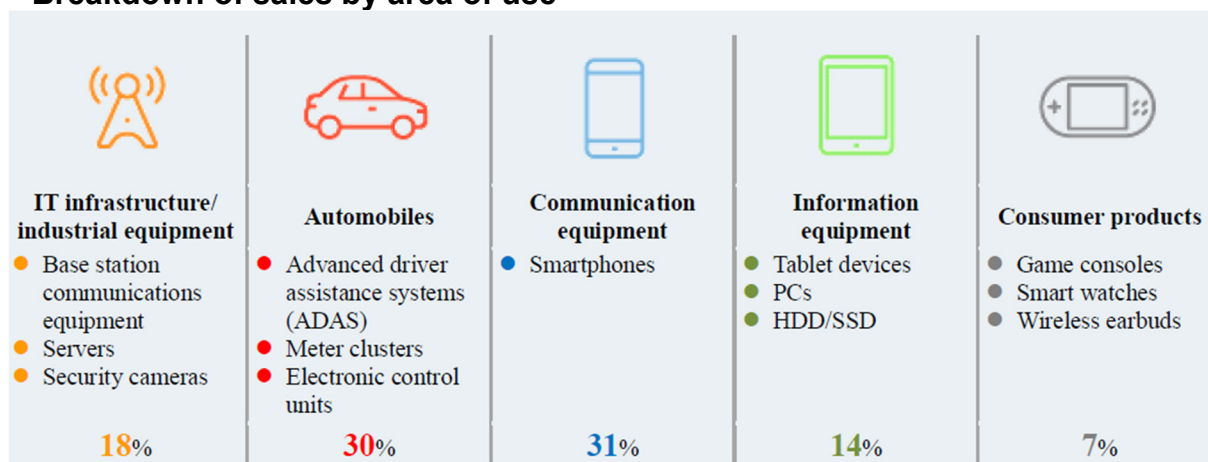
(2) Principal business activities (as of March 31, 2024)

Consolidated Sales by Product

Breakdown of consolidated sales by product



Breakdown of sales by area of use

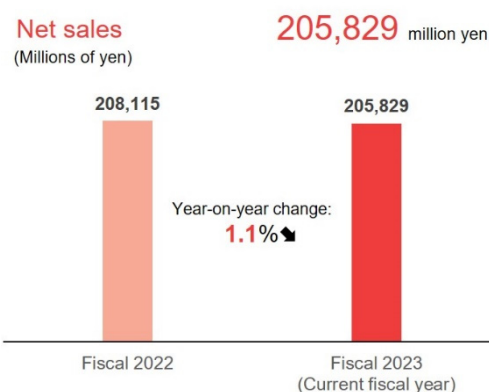


Capacitors

Main products

- Multilayer ceramic capacitors

Net sales decreased by 1.1% to ¥205,829 million as compared to the previous fiscal year as product sales for consumer products, information equipment, and information infrastructure/industrial equipment were lower as compared to the previous fiscal year, although sales for communication equipment and automobiles increased from the previous fiscal year.

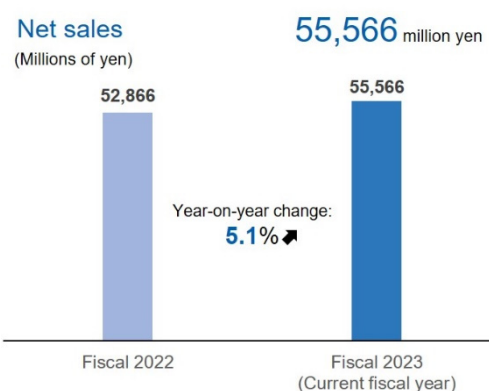


Inductors

Main products

- Winding inductors
- Multilayer inductors

Net sales increased by 5.1% to ¥55,566 million as compared to the previous fiscal year as product sales for information equipment, communication equipment, and automobiles were higher as compared to the previous fiscal year, although sales for consumer products and information infrastructure/industrial equipment decreased from the previous fiscal year.

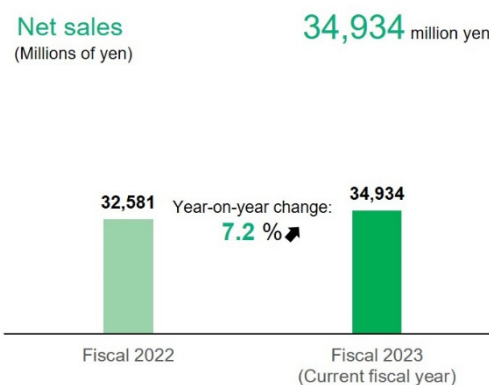


Integrated Modules & Devices

Main products

- Communications devices (FBAR/SAW)
- Circuit modules

Net sales totaled ¥34,934 million, which is an increase of 7.2% compared to the previous fiscal year. This was due to a year-on-year decrease in sales for FBAR/SAW communications devices, although sales of circuit modules decreased from the previous year.

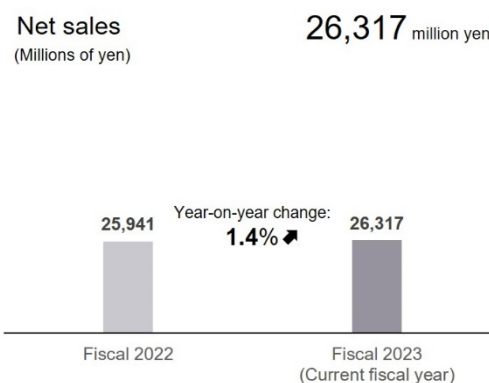


Others

Main products

- Aluminum electrolytic capacitors

Net sales totaled ¥26,317 million, which is an increase of 1.4% compared to the previous fiscal year. This was due to a year-on-year increase in sales for aluminum electrolytic capacitors.



(3) Summary of assets and profit or loss

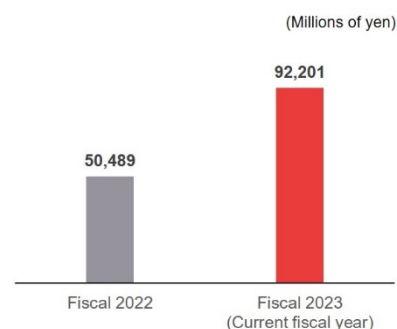
Business terms	Fiscal 2019 (79th Term)	Fiscal 2020 (80th Term)	Fiscal 2021 (81st Term)	Fiscal 2022 (82nd Term)	Fiscal 2023 (83rd Term) (current fiscal year)
Net sales (Millions of yen)	282,329	300,920	349,636	319,504	322,647
Operating profit (Millions of yen)	37,176	40,766	68,218	31,980	9,079
Operating margin (%)	13.2	13.5	19.5	10.0	2.8
Ordinary profit (Millions of yen)	35,165	41,247	72,191	34,832	13,757
Profit attributable to owners of parent (Millions of yen)	18,022	28,615	54,361	23,216	8,317
Comprehensive income (Millions of yen)	11,350	37,372	69,260	28,654	22,773
Total assets (Millions of yen)	343,122	404,642	474,522	503,462	579,686
Net assets (Millions of yen)	210,454	243,941	300,286	318,478	330,098
Basic earnings per share (Yen)	143.04	227.99	433.46	186.32	66.75
Net assets per share (Yen)	1,672.40	1,937.86	2,403.20	2,548.15	2,640.98
Equity ratio (%)	61.2	60.1	63.1	63.1	56.8
Rate of return on equity (ROE) (%)	8.7	12.6	20.0	7.5	2.6
Price-earnings ratio (Times)	20.0	22.8	12.8	23.8	54.3
Dividend payout ratio (%)	18.2	17.5	18.5	48.3	134.8
Cash flows from operating activities (Millions of yen)	52,434	52,882	67,315	39,460	51,104
Cash flows from investing activities (Millions of yen)	(40,874)	(42,218)	(50,622)	(60,438)	(82,793)
Cash flows from financing activities (Millions of yen)	(4,851)	12,604	(14,711)	14,485	37,647
Cash and cash equivalents at end of period (Millions of yen)	57,285	81,785	88,609	84,124	94,940
Research and development expenses (Millions of yen)	12,921	12,550	13,099	12,678	13,696
Capital investment (Millions of yen)	39,365	49,699	34,023	50,489	92,201
Depreciation (Millions of yen)	27,022	29,256	31,287	34,903	39,391

(4) Capital investment, financing and major creditors

i) Capital investment

Capital investment during the fiscal year under review amounted to approximately ¥92,201 million at the acceptance and inspection. Major investments were made to enhance production capacity for multilayer ceramic capacitors for automotive applications and information infrastructure/industrial equipment, as well as to construct new factories in China and Malaysia.

Capital investment



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, ¥9,255 million in current portion of long-term borrowings, ¥51,170 million in convertible-bond-type bonds with share acquisition rights, and ¥84,219 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 ¥30.0 billion effective for three (3) years has been established. However, the Company had not used the line as of March 31, 2024.

In the fiscal year under review, the Company raised ¥51,250 million by issuing euro-yen convertible-bond-type bonds with share acquisition rights due 2030 in October 2023.

iii) Major creditors (as of March 31, 2024)

Creditor	Loan outstanding (Millions of yen)
Sumitomo Mitsui Banking Corporation	37,450
MUFG Bank, Ltd.	16,850
The Iyo Bank, Ltd.	16,750
Mizuho Bank, Ltd.	15,800
The Gunma Bank, Ltd.	5,800

(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 ¥102,783 million and maintains a sound financial position with an equity ratio of 56.8%. In addition, the Group will continue its operations by securing means to respond to unforeseen circumstances, such as commitment line agreements totaling ¥30.0 billion 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.

(7) Basic policy regarding dividends of surplus, etc.

The Company considers one of the most important issues for management to be the distribution of plentiful returns to its shareholders and aims to steadily realize a dividend payout ratio of 30% and conduct a purchase of treasury shares as necessary.

The Company plans a year-end dividend of 45 yen per share for the fiscal year ended March 31, 2024, which together with the interim dividend gives an annual dividend of 90 yen and a dividend payout ratio of 134.8%.

Business terms	Fiscal 2019 (79th Term)	Fiscal 2020 (80th Term)	Fiscal 2021 (81st Term)	Fiscal 2022 (82nd Term)	Fiscal 2023 (83rd Term) (current fiscal year)
Dividend per share (Yen)	26.00	40.00	80.00	90.00	90.00
Total dividends (Millions of yen)	3,263	5,020	10,007	11,214	11,216
Dividend payout ratio (%)	18.2	17.5	18.5	48.3	134.8
Total return ratio (%)	40.3	17.5	27.6	48.3	134.8

[Reference] Policy on shareholdings

Listed stock names of the policy on shareholdings (as of March 31, 2024)

There is no policy of shareholdings.

■ Total amount of the policy of shareholdings in the balance sheet (as of March 31, 2024)

Classification / Business terms	Fiscal 2019 (79th Term)	Fiscal 2020 (80th Term)	Fiscal 2021 (81st Term)	Fiscal 2022 (82nd Term)	Fiscal 2023 (83rd Term) (current fiscal year)
Number of issues	8	3	0	0	0
Total amount of the carrying value in the balance sheet (Millions of yen)	1,282	757	0	0	0
Ratio thereof accounted for in the consolidated balance sheet accounting (%)	0.3	0.1	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.

(8) Status of principal subsidiaries (as of March 31, 2024)

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 29 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. TAIYO YUDEN (SHANGHAI) TRADING CO., LTD. conducted an absorption-type merger with the said company as the surviving company and TAIYO YUDEN (SHENZHEN) ELECTRONICS TRADING CO., LTD. as the absorbed company as of July 14, 2023.
5. ELNA CO., LTD. conducted absorption-type mergers with the said company as the surviving company and the following companies as the absorbed companies.

As of April 1, 2023

ELNA TOHOKU CO., LTD.

As of October 1, 2023

TAIYO YUDEN ENERGY DEVICE CO., LTD.

ii) Specified wholly owned subsidiaries

Not applicable

(9) Principal offices and plants (as of March 31, 2024)

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 in the above “(8) Status of principal subsidiaries.”

(10) Employees (as of March 31, 2024)

i) Employees of the TAIYO YUDEN Group

Number of employees	Increase (decrease) from the previous fiscal year
21,823	Increase of 4 persons

ii) Employees of the Company

Number of employees	Increase (decrease) from the previous fiscal year	Average age	Average years of service
2,853 persons	Decrease of 50 persons	41.2 years old	16.9 years

Note: The number of employees is the number currently at work and does not include temporary employees.

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

Not applicable

3. Shares of the Company (as of March 31, 2024)

- (1) Total number of shares authorized to be issued: 300,000,000 shares
- (2) Total number of shares issued: 130,218,481 shares (including 5,591,392 shares of treasury shares)
- (3) Number of shareholders: 31,619
- (4) Major shareholders (Top 10)

	Name	Number of shares held (shares)	Shareholding ratio (%)
1	The Master Trust Bank of Japan, Ltd. (Trust Account)	38,006,200	30.4
2	Custody Bank of Japan, Ltd. (Trust Account)	17,922,200	14.3
3	STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST, BOSTON SSBTC A/C UK LONDON BRANCH CLIENTS - UNITED KINGDOM	2,821,478	2.2
4	STATE STREET BANK WEST CLIENT-TREATY 505234	2,147,300	1.7
5	HSBC HONG KONG - TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	2,031,344	1.6
6	The Iyo Bank, Ltd.	2,000,100	1.6
7	Sumitomo Mitsui Banking Corporation	2,000,000	1.6
8	Sato Fund for Orphans from Traffic Accidents	1,916,640	1.5
9	JP Morgan Securities Japan Co., Ltd.	1,736,389	1.3
10	Nippon Life Insurance Company	1,666,450	1.3

Notes: 1. The Company holds 5,591,392 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.

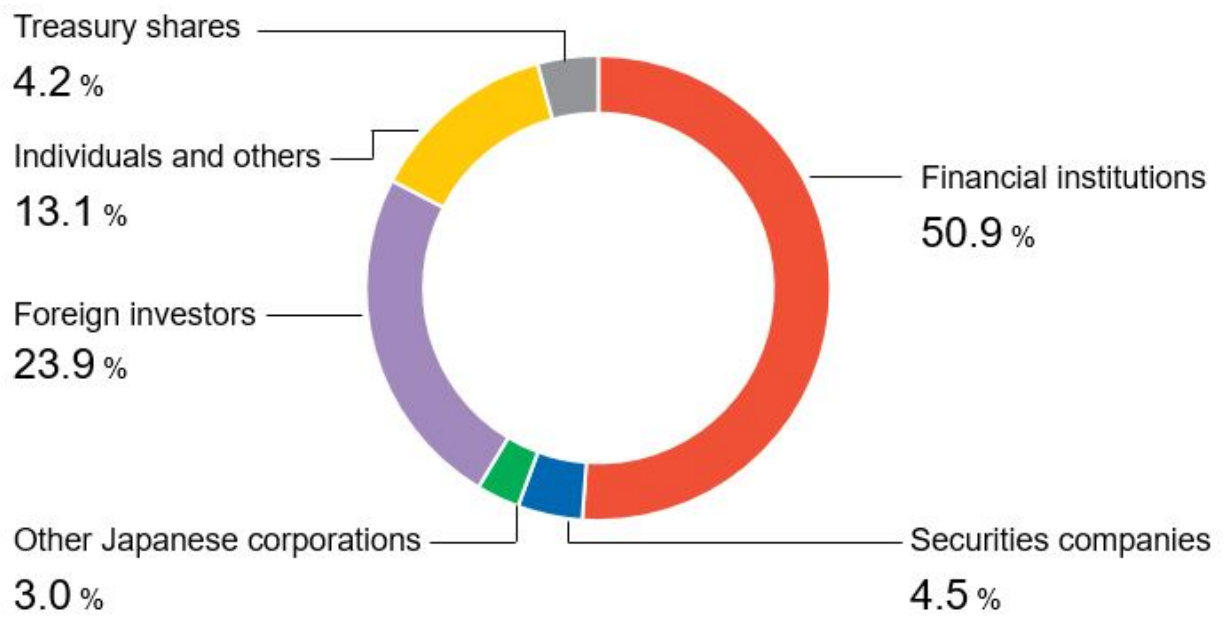
- (5) Status of shares issued to the officers of the Company as a consideration for the execution of their duties during the fiscal year under review

Not applicable

- (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 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 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 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 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 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 Outside Directors)	6 units	6,000 shares of the common stock of the Company	July 14, 2011 through July 13, 2031
April 2012 issue of share acquisition rights	April 25, 2012	1 Director (excluding 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 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	2 Directors (excluding Outside Directors)	9 units	9,000 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	4 Directors (excluding Outside Directors)	13 units	13,000 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	4 Directors (excluding Outside Directors)	18 units	18,000 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 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 Outside Directors)	23 units	23,000 shares of the common stock of the Company	July 15, 2016 through July 14, 2036
July 2017 issue of share acquisition rights	June 29, 2017	4 Directors (excluding Outside Directors)	23 units	23,000 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 Outside Directors)	25 units	25,000 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 Outside Directors)	250 units	25,000 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 Outside Directors)	260 units	26,000 shares of the common stock of the Company	July 17, 2020 through July 16, 2040

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 2021 issue of share acquisition rights	June 29, 2021	4 Directors (excluding Outside Directors)	270 units	27,000 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 Non-executive Directors including Outside Directors)	77 units	7,700 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 Non-executive Directors including Outside Directors)	182 units	18,200 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

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 2023 issue of share acquisition rights	June 29, 2023	14 Operating Officers	382 units	38,200 shares of the common stock of the Company	July 20, 2023 through July 19, 2043

(3) Other important matters concerning the share acquisition rights

i) Determination of the number of share acquisition rights that can be exercised issued in July 2023 under the Performance-based Plan

The number of share acquisition rights that can be exercised issued in July 2023 under the Performance-based Plan was determined on the same day that the value of the rate of return on equity (ROE) for the current fiscal year was determined in the Company’s meeting of the Board of Directors held on May 8, 2024. The shareholding status of share acquisition rights of the Directors and Operating Officers of the Company on the same day are as follows:

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 2023 issue of share acquisition rights	June 29, 2023	3 Directors (excluding Non-executive Directors including Outside Directors)	46 units	4,600 shares of the common stock of the Company	July 20, 2023 through July 19, 2043
		14 Operating Officers	92 units	9,200 shares of the common stock of the Company	

ii) 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, 2024)

(1) Directors and Audit & Supervisory Board Members

Name	Position	Responsibilities in the Company and significant concurrent positions
Katsuya Sase	Representative Director, President and Chief Executive Officer	–
Shoichi Tosaka	Chairperson and Director	–
Shinji Masuyama	Director, Executive Vice President	In charge of the Business Headquarters
Tomomitsu Fukuda	Director and Executive Operating Officer	In charge of Management Planning
Masashi Hiraiwa	Outside Director (Independent Officer)	Attorney of OHHARA LAW OFFICE
Seiichi Koike	Outside Director (Independent Officer)	Outside Audit & Supervisory Board Member of Pixie Dust Technologies, Inc.
Emiko Hamada	Outside Director (Independent Officer)	Outside Director of NGK INSULATORS, LTD.
Kazuyuki Oshima	Audit & Supervisory Board Member (Full-time)	–
Toshimitsu Honda	Audit & Supervisory Board Member (Full-time)	–
Hajime Yoshitake	Outside Audit & Supervisory Board Member (Full-time) (Independent Officer)	Adjunct Lecturer of Meiji University Professional Graduate School General Manager of The Institute of Internal Auditors – Japan
Tomomi Fujita	Outside Audit & Supervisory Board Member (Independent Officer)	Partner of Innoventier Outside Director (Audit & Supervisory Committee Member) of TAKUMA CO., LTD.

- Notes: 1. Directors Masashi Hiraiwa, Seiichi Koike, and Emiko Hamada are Outside Directors stipulated in Article 2, item (xv), of the Companies Act and registered as Independent Officers with the Tokyo Stock Exchange.
2. Audit & Supervisory Board Members Hajime Yoshitake and Tomomi Fujita are Outside Audit & Supervisory Board Members stipulated in Article 2, item (xvi), of the Companies Act and registered as Independent Officers with the Tokyo Stock Exchange.

3. Director Masashi Hiraiwa and Audit & Supervisory Board Member Tomomi Fujita are attorneys.
4. Audit & Supervisory Board Member Hajime Yoshitake possesses considerable knowledge on finance and accounting, which was nurtured in his business experience at financial institutions.
5. The Company has a business relationship with Pixie Dust Technologies, Inc., where Director Seiichi Koike has a significant concurrent position, concerning the purchase of test systems, etc. However, the size of these transactions is less than 0.1% of the consolidated net sales of the Company.
6. 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 0.2% of the consolidated net sales of the Company.
7. Changes of Audit & Supervisory Board Members during the fiscal year under review are as follows:
Audit & Supervisory Board Member Toshimitsu Honda was newly elected at the 82nd Ordinary General Meeting of Shareholders held on June 29, 2023, and assumed position.
Mr. Toshio Mishuku retired as Audit & Supervisory Board Member upon the expiry of his term at the conclusion of the 82nd Ordinary General Meeting of Shareholders held on June 29, 2023.
8. The positions and responsibilities of the following Directors were changed on June 29, 2023.

Name	Current responsibility	Former responsibility
Katsuya Sase	Representative Director, President and Chief Executive Officer	Director and Senior Executive Operating Officer
Shoichi Tosaka	Chairperson and Director	President and Chief Executive Officer
Shinji Masuyama	Director, Executive Vice President, in charge of Business Headquarters	Director, Executive Vice President, in charge of 1st Business
Tomomitsu Fukuda	Director, Executive Operating Officer, in charge of Management Planning	Director, Executive Operating Officer, in charge of Public Relations, Management Planning, Accounting, Management Information System and Sustainability

9. Director Tomomitsu Fukuda retired as President, TAIYO YUDEN (CHANGZHOU) CO., LTD. (Part-time) on August 8, 2023.
10. Director Masashi Hiraiwa assumed the position of Director of SAZABY LEAGUE, Ltd. on April 1, 2024.
11. Audit & Supervisory Board Member Tomomi Fujita retired from her position as a Visiting Professor of KYOTO UNIVERSITY LAW SCHOOL on March 31, 2024, and assumed the position of Outside Audit & Supervisory Board Member of STYLEM TAKISADA-OSAKA CO., LTD. on April 26, 2024.

(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) and Audit & Supervisory Board Members which limit the liability of such Directors and Audit & Supervisory Board Members 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 Audit & Supervisory Board Member Kazuyuki Oshima Audit & Supervisory Board Member Toshimitsu Honda Outside Audit & Supervisory Board Member Hajime Yoshitake Outside Audit & Supervisory Board Member Tomomi Fujita	The Outside Director/Outside Audit & Supervisory Board Member 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 Outside Director/Outside Audit & Supervisory Board Member 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 and Outside Audit & Supervisory Board Members

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

As described above in "(1) Directors and Audit & Supervisory Board Members."

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

Not applicable

- iii) Main activities of Outside Directors and Outside Audit & Supervisory Board Members 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	Nomination Committee	Remuneration Committee	
Director Masashi Hiraiwa	100% (18/18)	—	100% (9/9)	100% (8/8)	Mr. Hiraiwa attended Board of Directors meetings and other important meetings to monitor overall management status, such as governance structure including internal control and legal compliance, mainly from an expert perspective as an attorney and otherwise performed management providing useful advice and recommendations with high ethical standards to play an appropriate role in ensuring the validity and appropriateness of decision making. He also serves as Chairperson of the voluntary 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.

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	Nomination Committee	Remuneration Committee	
Director Seiichi Koike	100% (18/18)	–	100% (9/9)	100% (8/8)	Mr. Koike attended Board of Directors meetings and other important meetings to reflect his broad insight from the perspective of investors in the management of the Company, mainly drawing from his experience in engaging in corporate management and serving as Audit & Supervisory Board Member in the automotive parts industry, and otherwise provided useful advice and recommendations on the overall management status to play an appropriate role in ensuring the validity and appropriateness of decision making. He also serves as Chairperson of the voluntary 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.
Director Emiko Hamada	100% (18/18)	–	100% (9/9)	100% (8/8)	Ms. Hamada attended Board of Directors meetings and other important meetings to provide recommendations for business execution and management supervision, mainly drawing from her experience in industry-academia-government collaboration and in serving as Outside Director at other companies, and otherwise played an appropriate role in ensuring the validity and appropriateness of decision making. She also serves as a member of the voluntary 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.
Audit & Supervisory Board Member Hajime Yoshitake	100% (18/18)	100% (22/22)	100% (1/1)	100% (7/7)	Mr. Yoshitake made comments at Board of Directors meetings and other important meetings to ensure the appropriateness of the decisions of the Board of Directors based on strong expertise and insight nurtured in his experience in audit and internal control. In addition, as a full-time Audit & Supervisory Board Member, he has fully demonstrated his auditing capability in headquarters audits and audits of the Group.

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	Nomination Committee	Remuneration Committee	
Audit & Supervisory Board Member Tomomi Fujita	100% (18/18)	100% (22/22)	100% (8/8)	–	Ms. Fujita made comments at Board of Directors meetings and other important meetings to ensure the appropriateness of the decisions of the Board of Directors based on strong expertise and insight as an attorney. She also manages proceedings at Audit & Supervisory Board meetings in an active and efficient manner as Chairperson of the Audit & Supervisory Board and makes use of her legal knowledge and experience and makes necessary comments as appropriate.

Note: The members of the Nomination Committee and the Remuneration Committee changed on June 29, 2023. Audit & Supervisory Board Members do not have voting rights in the both committees.

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

At its meeting held on March 2, 2022, 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.

i) Policy to determine the contents of remuneration for directors (and other officers)

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. Composition of remuneration by position

(1) Executive Directors

- Executive Directors receive monthly “basic remuneration” based on one’s position as well as “performance-based bonus” and “stock compensation-type stock options,” which are based on the performance and personnel evaluation for each fiscal year, as an incentive for their business execution.
- Remuneration will consist of 40% of basic remuneration, 40% of performance-based bonus, and 20% of stock compensation-type stock options, when the relevant goal of the Medium-term Management Plan is achieved.

(2) Non-executive Directors and Outside Directors

In the interest of supervising business execution, Non-executive Directors and Outside Directors receive only “basic remuneration.”

(3) Audit & Supervisory Board Member

In the interest of promoting audits of legality, Audit & Supervisory Board Members receive only “basic remuneration.”

Type, timing, and recipient of remuneration

Type		Timing of payment	Executive Directors	Non-executive Directors/Outside Directors	Audit & Supervisory Board Members
Cash	Basic remuneration	Fixed	Monthly	•	•
	Performance-based bonus	Variable	Yearly (July)	•	–
Shares	Stock compensation-type stock options	Partially variable	Yearly (July)	•	–

4. Amount or calculation method of remuneration

(1) Basic remuneration

The Company shall provide basic remuneration as fixed monthly remuneration and determine its amount based on one’s responsibilities and position.

(2) Performance-based bonus

The Company shall provide performance-based bonus linked to consolidated financial results for each fiscal year, using consolidated profit 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 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 at each position when the relevant goal of the Medium-term Management Plan is achieved. The final amount of bonus is determined by multiplying the performance of the Company by a coefficient representing the performance evaluation results of individual directors, including the degree of the achievement of performance goals at the organizations in his or her charge and the non-financial indicators (ESG elements) of the Medium-term Management Plan.

(3) Stock compensation-type stock options

The Company shall grant stock compensation-type stock options to Executive Directors every year based on his or her position in the form of share acquisition rights that can be exercised on or after the day following the forfeiture of all the positions as Director or Operating Officer of the Company in order to encourage them to manage the Company focusing on the enhancement of medium- to long-term corporate value by sharing the same value with shareholders through the holding of the Company's shares.

The exercise of part of such share acquisition rights will be subject to certain performance achievement conditions to strengthen their function as an incentive. More specifically, they shall be designed in a manner that the number of share acquisition rights that can be exercised fluctuates within the range of 0% to 300% depending on the degree of achievement of the relevant consolidated performance indicator (ROE) of the Medium-term Management Plan.

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. Specific remuneration of Audit & Supervisory Board Members is discussed among them.

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 amount of basic remuneration and performance-based bonus paid and the number of share acquisition rights granted to each Director after considering the reasonableness of remuneration levels of individual Directors 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

The limits of remuneration paid to Directors and Audit & Supervisory Board Members have been approved by the resolution of the General Meeting of Shareholders as follows:

Relevant officers	Type of remuneration	Outline of the relevant resolution	Date of resolution by General Meeting of Shareholders	Number of relevant officers
Directors (including Outside Directors)	Cash	Limit of annual remuneration: ¥500 million or less (including ¥40 million or less to Outside Directors)	78th Ordinary General Meeting of Shareholders held on June 27, 2019	8 (including 3 Outside Directors)
Directors (excluding Non-executive Directors including Outside Directors)	Stock remuneration	Limit of annual remuneration: ¥200 million or less The total number of share acquisition rights (upper limit): 500 units 50,000 shares of the common stock of the Company	81st Ordinary General Meeting of Shareholders held on June 29, 2022	4
Audit & Supervisory Board Members	Cash	Limit of monthly remuneration: ¥8 million or less	75th Ordinary General Meeting of Shareholders held on June 29, 2016	4

Note: 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 individual share acquisition right shall be 100.

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

	Number of persons paid and total amount of remuneration		Content					
			Basic remuneration		Performance-based bonus		Stock compensation-type stock options	
	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 (Of which Outside Directors)	7 (3)	249 (38)	7 (3)	209 (38)	4 (-)	17 (-)	4 (-)	22 (-)
Audit & Supervisory Board Members (Of which Outside Audit & Supervisory Board Members)	5 (2)	88 (36)	5 (2)	88 (36)	- (-)	- (-)	- (-)	- (-)
Total	12	338	12	298	4	17	4	22

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.

(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

	Amount (Millions of yen)
i) Remuneration payable to the Accounting Auditors by the Company	78
ii) Total amount of money or other property benefits payable to the Accounting Auditor by the Company and its subsidiaries	109

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 ¥5 million as an amount of additional remuneration related to the previous fiscal year.

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

The Audit & Supervisory Board has given an accord, which is described in Article 399, paragraph (1) 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 creation of a comfort letter, 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

Apart from the dismissal of the Accounting Auditors by the Audit & Supervisory Board for reasons of a circumstance falling under any of the items of Article 340, paragraph (1) of the Companies Act, or if it is deemed difficult for the Accounting Auditors to properly perform their duties, a proposal for the dismissal or non-reappointment of the Accounting Auditors shall be submitted to a General Meeting of Shareholders, upon a decision of the Audit & Supervisory Board.

(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 (the Basic Policy) for systems for the Company to ensure appropriate business operations and the status of their operation are as follows.

1. Systems to ensure the execution of duties by Directors, Operating Officers and employees complies with laws, regulations and the Articles of Incorporation, and other systems to ensure appropriate business operations of the Company and the Group

Summary of the resolution on the Basic Policy

- (1) The Board of Directors shall resolve important matters in accordance with laws, regulations and the Articles of Incorporation, as well as the “Board of Directors Regulations” and other internal regulations.
- (2) The Board of Directors shall strengthen the management system for risk factors surrounding the management and supervise the execution of duties by Directors.
- (3) Audit & Supervisory Board Members shall monitor the appropriateness of resolutions by the Board of Directors, as well as the execution of duties by Directors and Operating Officers.
- (4) 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” of the Company and conduct compliance activities on an ongoing basis in accordance with the compliance management system.
- (5) A whistleblower system shall be operated for early detection of compliance-related problems of the Group. The detected problems shall be investigated and corrective measures shall be taken to prevent a recurrence.
- (6) Corporate information and other materials relating to the Group shall be swiftly and appropriately disclosed to shareholders and investors.
- (7) A firm and uncompromising stance will be taken on an organizational basis against anti-social forces or groups.
- (8) Internal control shall be streamlined and operated for the purpose of ensuring the reliability of financial reports in accordance with the Financial Instruments and Exchange Act.
- (9) As for the execution of business operations at subsidiaries, the relevant operating division/departments of the Company shall be the contact to grasp the circumstances thereof, and sufficient exchange of information and coordination of interests shall be conducted with regard to important information in accordance with the “Group Management Rules” to ensure appropriateness of business operations while respecting the management intentions of the respective subsidiaries.

Summary of the status of operation

An Internal Control Committee and its subsidiary body, Compliance Subcommittee, have been established as a system to promote compliance activities. The committee has designated a responsible person for each of the items set forth in the “TAIYO YUDEN Group CSR Code of Conduct” of the Company, and is making improvements on an ongoing basis while implementing the plan-do-check-act (PDCA) cycle, in accordance with the compliance management system.

In addition, the operational status of these measures is periodically evaluated and considered by the Internal Control Committee and the Compliance Subcommittee, and details thereof are reported to the Board of Directors as the Company works to strengthen internal controls.

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

Summary of the resolution on the Basic Policy

- (1) The Company shall record the statutory documents such as the minutes of the General Meetings of Shareholders and the minutes of the Meetings of the Board of Directors, and the minutes of other important meetings concerning the execution of duties by Directors and Operating Officers, in the form of documents or electromagnetic media, and store and manage them together with relevant materials, in accordance with laws and regulations, as well as the respective meeting rules.
- (2) The Company shall maintain an environment that enables Directors and/or Audit & Supervisory Board Members to access said information at any time in accordance with the respective meeting rules.

Summary of the status of operation

The principal information concerning the execution of duties by Directors and Operating Officers is stored and managed in the form of documents or electromagnetic media, in accordance with laws and regulations as well as the respective meeting rules. Furthermore, encryption and other security measures are taken in regard to important items, such as the minutes of the General Meetings of Shareholders and the minutes of the Meetings of the Board of Directors recorded in electromagnetic media.

3. Rules for managing risks of loss with respect to the Company and other systems

Summary of the resolution on the Basic Policy

- (1) An Internal Control Committee shall be established as a system to promote 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) As per the Company's Group Business Continuity and Risk Management Regulations, the effects on business activities resulting from the occurrence of any risks including natural disasters shall be anticipated, an emergency task force shall be formed depending on the scale of expected adverse effects and preventive measures shall be taken in advance during peacetime. In case a business continuity problem arises, countermeasures shall be taken in compliance with the BCP (Business Continuity Plan) put in place to enable the early resumption of business activities.

Summary of the status of operation

An Internal Control Committee and its subsidiary body, Risk Management Subcommittee, have been established as a system to promote risk management activities. The committee has designated a responsible person for each risk category in the "TAIYO YUDEN Group CSR Code of Conduct" of the Company, and is making improvements on an ongoing basis while implementing the PDCA cycle, in accordance with the Group risk management system. In addition, the operational status of these measures is periodically evaluated and considered by the Internal Control Committee and the Risk Management Subcommittee, and details thereof are reported to the Board of Directors as the Company works to strengthen internal controls. Furthermore, in addition to putting the BCP (Business Continuity Plan) in place and conducting drills to prepare for a disaster, etc. occurring, the Company is also taking measures to spread risk and have insurance as necessary.

4. System for ensuring the duties of Directors of the Company is efficiently performed

Summary of the resolution on the Basic Policy

- (1) To ensure that decision making by the Board of Directors is appropriate and efficient, a collegial body to deliberate important matters regarding the execution of business operations and personnel affairs shall be established.
- (2) To improve the efficiency of the execution of duties by Executive Directors, Operating Officers shall be in place.
- (3) An Internal Control Committee shall be established as a collegial body that deliberates on the internal control system and evaluates its activities, and a person responsible for promotion shall be designated for each item set forth in this resolution. The Internal Control Committee shall regularly receive reporting from the aforementioned persons responsible for promotion on the activity achievements and report the achievements to the Board of Directors.
- (4) The decision-making process shall be simplified and accelerated by proactively leveraging various computer systems for such applications as workflows, video conferences, the sharing of information and information management by leveraging IT technology.

Summary of the status of operation

To ensure the efficient execution of duties by Directors, the Management Committee shall duly discuss policy matters regarding business operations for Group management, whereas the TM (Top Management) Meeting shall duly discuss matters concerning personnel and remuneration for the entire Group, prior to submission to the Board of Directors. Both organs shall deliberate the legality, rationality and economics of matters delegated by the Board of Directors and report the results to the Board of Directors. In compliance with the purpose of Corporate Governance Codes, the Company works to provide materials of Meetings of the Board of Directors, promptly, summarize the points and brush up the quality of analysis or evaluation to ensure the effectiveness of operations. In addition, Operating Officers are in place in order to further clarify roles and responsibilities of Directors who monitor and supervise the management of business and persons who execute business operations. Under the direction of the Representative Director, President and Chief Executive Officer, the Operating Officers shall conduct business flexibly and quickly as an executor responsible for the section he or she is in charge of, in accordance with management policies and strategies determined at meetings of the Board of Directors.

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

Summary of the resolution on the Basic Policy

- (1) System for reporting to the Company on matters concerning the execution of duties by Directors of the subsidiaries of the Company and other persons with similar authority
 - 1) The status of the performed business operations at subsidiaries shall be reported as per the Company's "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 Operating Officers and/or employees to serve as Directors of the relevant subsidiaries.
- (2) Rules for managing risks of loss with respect to any subsidiary of the Company and other systems
 - 1) As per the Group risk management system, the subsidiary shall continuously perform its risk identification, evaluation of risk levels, decision and execution of risk countermeasures and monitoring/review of the status of implemented countermeasures.
 - 2) As per the Company's Group Business Continuity and Risk Management Regulations, the subsidiary shall anticipate circumstances in which effects on business activities could result from the occurrence of risks including natural disasters, determine the possible formation of an emergency task force depending on the scale of expected adverse effects and take preventive measures in advance during peacetime. In case a business continuity problem arises, the subsidiary shall take countermeasures in compliance with the BCP (Business Continuity Plan) put in place to enable the early resumption of business activities.
- (3) System for ensuring the duties of Directors, etc., of any subsidiary of the Company are efficiently performed
 - 1) The Company shall formulate its "Group Management Rules" to help subsidiaries handle their decision making efficiently, whereas the subsidiaries shall put the rules into practice.
 - 2) 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 information therein also shall be shared with the Audit & Supervisory Board Members of the Company.
- (4) System for ensuring that Directors and employees of any subsidiary of the Company perform their duties in accordance with laws, regulations and the Articles of Incorporation of said subsidiary
 - 1) As for important matters, the system to ensure the appropriateness of business operations at subsidiaries shall be streamlined and maintained as per the Company's "Group Management Rules."
 - 2) As a system to promote compliance activities, a responsible person for each of the items set forth in the "TAIYO YUDEN Group CSR Code of Conduct" shall be designated to conduct compliance activities on an ongoing basis in accordance with the compliance management system.

Summary of the status of operation

The execution of business operations at subsidiaries shall be reported in accordance with the "Group Management Rules" and prior discussion for approval shall be conducted with the relevant division/department of the Company with regard to decision-making of important matters. As for the operation of the Board of Directors of subsidiaries, the Company strives to strengthen control and management by revising or properly announcing the "Group Management Rules," and Audit & Supervisory Board Members monitor the status to ensure the appropriateness of the operations. The compliance and risk management matters of subsidiaries are managed in accordance with the

“TAIYO YUDEN Group CSR Code of Conduct” as well as the compliance management system and the Group risk management system through the PDCA cycle and periodically reported to the Internal Control Committee, the Compliance Subcommittee and the Risk Management Subcommittee to evaluate the status promptly, and this provides us with insights to establish a rational management system.

The Internal Audit Office develops a system for ensuring the Group’s appropriate business operations and monitors the status of operations by conducting an internal audit on subsidiaries based on an annual plan. Development of internal control concerning financial results and evaluation results of the status of operations are audited by Accounting Auditors, and the details are reported to the Representative Director, President and Chief Executive Officer of the Company and shared with Audit & Supervisory Board Members.

6. Systems for ensuring effective auditing by the Audit & Supervisory Board Members of the Company

Summary of the resolution on the Basic Policy

(1) Matters regarding the employees appointed to support Audit & Supervisory Board Members of the Company (Independence of said employees from Directors, ensuring effectiveness of the direction of Audit & Supervisory Board Members, etc.)

- 1) As dedicated staff who support Audit & Supervisory Board Members’ auditing operations under the control of the Audit & Supervisory Board, employees who serve as secretariat members (the “Secretariat Staff”) shall be in place.
- 2) Designation, transfer, performance evaluation, promotion, disciplinary actions, etc., of the Secretariat Staff shall be consulted with the Audit & Supervisory Board in advance to obtain its accord.

(2) Treatment of expenses that derive from the execution of duties by Audit & Supervisory Board Members of the Company

Unless otherwise recognized that such costs are not necessary with regard to the Audit & Supervisory Board Members’ duties, the Company shall incur costs that have been caused in relation to the audits by Audit & Supervisory Board Members.

(3) Other systems for ensuring effective auditing by the Audit & Supervisory Board Members of the Company

- 1) The Board of Directors shall create a system that allows Audit & Supervisory Board 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 and Operating Officers.
- 2) The Board of Directors shall create a system that allows Audit & Supervisory Board Members to collect information in a timely manner that is necessary for their audits through communication with Directors, Operating Officers, and employees, and also request, as necessary, reports therefrom regarding the execution of their duties and inspect the relevant documents.
- 3) The Board of Directors shall create a system that allows Audit & Supervisory Board Members to periodically exchange information with the Internal Audit Office, and take close cooperation therewith.
- 4) The Board of Directors shall create a system that allows Audit & Supervisory Board Members to periodically, or on an as needed-basis, exchange information with the Accounting Auditor, and request reporting therefrom, as necessary.

Summary of the status of operation

The Board of Directors has created a system that allows Audit & Supervisory Board Members to attend important meetings related to corporate management and check the process of Directors’ corporate management and the status of the execution of their duties by collecting information. Moreover, a system has been created that allows Audit & Supervisory Board Members to grasp internal control issues, such as compliance or risk management, in the Internal Control Committee,

and collect information required for audits by communicating with Directors, Operating Officers and employees, and reviewing related materials.

7. System for reporting to Audit & Supervisory Board Members of the Company

Summary of the resolution on the Basic Policy

- (1) System for reporting to Audit & Supervisory Board Members of the Company by Directors, Operating Officers and employees of the Company
 - 1) Directors, Operating Officers and employees of the Company, 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 & Supervisory Board Members.
 - 2) The system that allows any Director, Operating Officer or employee of the Company to directly report to an Audit & Supervisory Board Member of the Company shall be streamlined and maintained as per the Company's internal whistleblowing rules.
- (2) System for reporting to Audit & Supervisory Board Members of the Company by Directors and employees of any subsidiary of the Company
 - 1) The subsidiaries of the Company shall streamline and maintain the system that allows Directors, etc., and employees of any subsidiary to directly report to Audit & Supervisory Board Members of the Company with regard to the violation of laws, regulations and/or internal regulations by Directors, etc., as per their respective internal whistleblowing rules.
 - 2) The Board of Directors shall endeavor to facilitate communication with full-time Audit & Supervisory Board Members, Directors and employees of the subsidiaries, collect information and maintain the environment for audits.
- (3) System for ensuring that anyone who has reported to an Audit & Supervisory Board Member does not suffer from detrimental treatment for the reason of having made said report

The Group shall stipulate a scheme to fully protect informants in its internal rules, and streamline and maintain a preventive system, under which anyone who has used the whistleblower system to report to the Audit & Supervisory Board and/or the Audit & Supervisory Board Members shall not be unfavorably treated.

Summary of the status of operation

A system has been created whereby reports are made to Audit & Supervisory Board Members through the operation of the whistleblower system of the Company and the Group. In addition, a system has been created that allows Directors in the Boards of Directors of subsidiaries, etc. to communicate with Audit & Supervisory Board Members by making reports and exchanging views.

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 83rd 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] Evaluation of the Effectiveness of the Board of Directors

The Company conducts the evaluation of the effectiveness of the Board of Directors once a year 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 to the aggregation of answers 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 and all Audit & Supervisory Board Members.
- iii) The external evaluation agency compiles the results of the questionnaire described in ii) above, extracts issues and opinions that need to be addressed, and reports them to all Directors and Audit & Supervisory Board Members.
- iv) Evaluation meetings were conducted 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 Director, and determined any issues to be addressed.

(2) Evaluation (Questionnaire) items

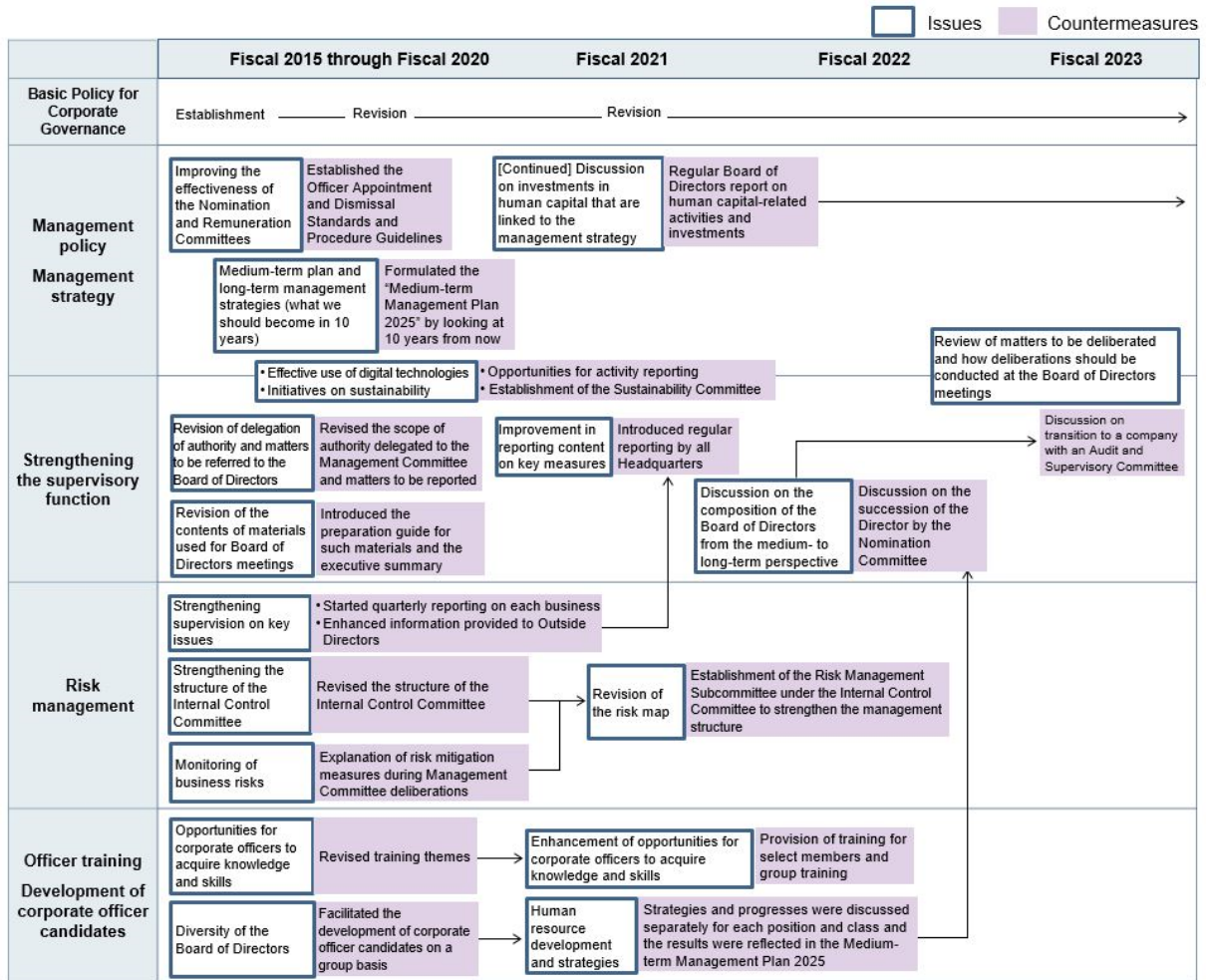
- Operation of the Board of Directors
- Composition/skills of the Board of Directors
- Management strategy initiatives
- Sustainable growth initiatives
- Corporate ethics and risk management
- Monitoring
- Dialogue with shareholders
- Nomination Committee and Remuneration Committee

(3) Evaluation results and issues to be addressed

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. On the other hand, the “discussion on investments in human capital that are linked to the management strategy,” which was previously recognized as an issue to be addressed, will continue to be recognized as an issue to be addressed since it will take time to improve upon the evaluation. In addition, in conjunction with the transition to a Company with an Audit & Supervisory Committee, “review of matters to be deliberated and how deliberations should be conducted at the Board of Directors meetings” was newly recognized as an issue to be addressed. The Company will endeavor to maintain and enhance its effectiveness of the Board of Directors by addressing these issues systematically.

■ 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	83rd Fiscal Term (as of March 31, 2024)	(Reference) 82nd Fiscal Term (as of March 31, 2023)
Assets		
Current assets	297,219	274,396
Cash and deposits	102,783	87,197
Notes and accounts receivable - trade	81,199	70,372
Merchandise and finished goods	33,287	34,695
Work in process	44,993	46,885
Raw materials and supplies	24,056	23,234
Other	11,205	12,269
Allowance for doubtful accounts	(305)	(258)
Non-current assets	282,466	229,066
Property, plant and equipment	273,556	220,590
Buildings and structures	172,862	129,144
Machinery, equipment and vehicles	408,458	363,035
Tools, furniture and fixtures	43,569	37,483
Land	16,171	15,858
Construction in progress	39,100	47,571
Accumulated depreciation	(406,606)	(372,502)
Intangible assets	1,807	1,663
Other	1,807	1,663
Investments and other assets	7,102	6,812
Investment securities	1,342	1,447
Retirement benefit asset	77	71
Deferred tax assets	4,168	3,825
Other	1,615	1,561
Allowance for doubtful accounts	(100)	(92)
Total Assets	579,686	503,462

(Millions of yen)

Account item	83rd Fiscal Term (as of March 31, 2024)	(Reference) 82nd Fiscal Term (as of March 31, 2023)
Liabilities		
Current liabilities	85,780	112,140
Notes and accounts payable - trade	29,745	23,012
Short-term borrowings	4,200	30,200
Current portion of long-term borrowings	9,255	17,958
Accounts payable - other	22,013	24,735
Income taxes payable	2,182	1,550
Provision for bonuses	5,056	4,205
Provision for bonuses for directors (and other officers)	17	60
Other	13,310	10,416
Non-current liabilities	163,806	72,843
Convertible-bond-type bonds with share acquisition rights	51,170	-
Long-term borrowings	84,219	50,777
Deferred tax liabilities	7,986	7,328
Provision for retirement benefits for directors (and other officers)	48	39
Retirement benefit liability	6,994	5,666
Other	13,386	9,030
Total Liabilities	249,587	184,984
Net assets		
Shareholders' equity	300,990	303,829
Share capital	33,575	33,575
Capital surplus	49,922	49,908
Retained earnings	230,905	233,802
Treasury shares	(13,411)	(13,457)
Accumulated other comprehensive income	28,146	13,690
Valuation difference on available-for-sale securities	478	631
Deferred gains or losses on hedges	(32)	(0)
Foreign currency translation adjustment	27,861	13,086
Remeasurements of defined benefit plans	(161)	(26)
Share acquisition rights	961	958
Total Net Assets	330,098	318,478
Total Liabilities and Net Assets	579,686	503,462

CONSOLIDATED STATEMENT OF INCOME

(Millions of yen)

Account item	83rd Fiscal Term (from April 1, 2023 to March 31, 2024)		(Reference) 82nd Fiscal Term (from April 1, 2022 to March 31, 2023)	
Net sales		322,647		319,504
Cost of sales		257,191		232,085
Gross profit		65,456		87,419
Selling, general and administrative expenses		56,376		55,438
Operating profit		9,079		31,980
Non-operating income				
Interest income	1,324		723	
Dividend income	57		61	
Foreign exchange gains	3,961		1,136	
Subsidy income	771		1,591	
Other	431	6,546	255	3,769
Non-operating expenses				
Interest expenses	698		463	
Bond issuance costs	116		-	
Depreciation of inactive non-current assets	137		52	
Compensation expenses	808		267	
Other	107	1,868	133	916
Ordinary profit		13,757		34,832
Extraordinary income				
Gain on sale of non-current assets	24		171	
Gain on sale of investment securities	177		-	
Gain on sale of golf club membership	69	271	-	171
Extraordinary losses				
Loss on sale and retirement of non-current assets	730		886	
Impairment losses	1		20	
Loss on disaster	223		-	
Anti-monopoly Act related loss	-		2,927	
Other	1	956	67	3,902
Profit before income taxes		13,073		31,102
Income taxes - current	4,270		5,767	
Income taxes - deferred	485	4,755	2,118	7,886
Profit		8,317		23,216
Profit attributable to owners of parent		8,317		23,216

Non-Consolidated Financial Statements

BALANCE SHEET

(Millions of yen)

Account item	83rd Fiscal Term (as of March 31, 2024)	(Reference) 82nd Fiscal Term (as of March 31, 2023)
Assets		
Current assets	150,910	151,754
Cash and deposits	32,053	23,563
Notes receivable - trade	569	603
Accounts receivable - trade	61,622	47,708
Merchandise and finished goods	6,166	7,134
Work in process	8,940	11,920
Raw materials and supplies	4,405	4,563
Prepaid expenses	693	603
Short-term loans receivable from subsidiaries and associates	-	25,504
Accounts receivable - other	31,489	26,358
Consumption taxes refund receivable	4,141	3,612
Other	828	182
Non-current assets	236,717	191,290
Property, plant and equipment	51,610	44,014
Buildings	10,856	11,262
Structures	887	935
Machinery and equipment	16,538	15,678
Vehicles	99	182
Tools, furniture and fixtures	3,444	2,820
Land	4,483	4,453
Construction in progress	15,300	8,680
Intangible assets	1,135	1,066
Patent right	1	1
Software	1,024	964
Other	110	100
Investments and other assets	183,971	146,209
Investment securities	0	0
Shares of subsidiaries and associates	65,892	65,892
Long-term loans receivable from employees	26	37
Long-term loans receivable from subsidiaries and associates	116,814	83,014
Distressed receivables	0	0
Long-term prepaid expenses	151	185
Deferred tax assets	2,391	691
Other	567	556
Allowance for doubtful accounts	(1,874)	(4,168)
Total Assets	387,628	343,045

(Millions of yen)

Account item	83rd Fiscal Term (as of March 31, 2024)	(Reference) 82nd Fiscal Term (as of March 31, 2023)
Liabilities		
Current liabilities	84,076	110,524
Accounts payable - trade	38,278	38,030
Electronically recorded obligations	4,699	-
Short-term borrowings	4,200	30,200
Current portion of long-term borrowings	9,255	17,958
Lease liabilities	42	33
Accounts payable - other	17,265	16,230
Accrued expenses	5,061	4,860
Income taxes payable	443	213
Deposits received	1,109	1,072
Provision for bonuses	2,071	1,851
Provision for bonuses for directors (and other officers)	17	60
Other	1,631	13
Non-current liabilities	136,044	51,445
Convertible-bond-type bonds with share acquisition rights	51,170	-
Long-term borrowings	84,219	50,777
Lease liabilities	136	138
Other	518	529
Total Liabilities	220,121	161,969
Net assets		
Shareholders' equity	166,577	180,118
Share capital	33,575	33,575
Capital surplus	52,038	52,024
Legal capital surplus	51,468	51,468
Other capital surplus	569	555
Retained earnings	94,376	107,976
Legal retained earnings	2,947	2,947
Other retained earnings	91,428	105,028
Reserve for tax purpose reduction entry of non-current assets	1,316	1,318
Retained earnings brought forward	90,111	103,709
Treasury shares	(13,411)	(13,457)
Valuation and translation adjustments	(32)	(0)
Deferred gains or losses on hedges	(32)	(0)
Share acquisition rights	961	958
Total Net Assets	167,507	181,075
Total Liabilities and Net Assets	387,628	343,045

STATEMENT OF INCOME

(Millions of yen)

Account item	83rd Fiscal Term (from April 1, 2023 to March 31, 2024)		(Reference) 82nd Fiscal Term (from April 1, 2022 to March 31, 2023)	
Net sales		283,867		271,527
Cost of sales		268,172		225,717
Gross profit		15,694		45,809
Selling, general and administrative expenses		31,822		33,828
Operating profit (loss)		(16,128)		11,981
Non-operating income				
Interest income	1,310		612	
Dividend income	5,197		5,405	
Foreign exchange gains	3,634		1,160	
Reversal of allowance for doubtful accounts	2,294		197	
Other	260	12,697	138	7,514
Non-operating expenses				
Interest expenses	480		335	
Bond issuance costs	116		-	
Compensation expenses	803		267	
Depreciation of inactive non-current assets	8		2	
Other	40	1,448	14	620
Ordinary profit (loss)		(4,879)		18,875
Extraordinary income				
Gain on sale of non-current assets	22		12	
Gain on sale of investment securities	3	26	-	12
Extraordinary losses				
Loss on sale and retirement of non-current assets	180		186	
Impairment losses	-	180	5	191
Profit (loss) before income taxes		(5,032)		18,696
Income taxes - current	(961)		1,908	
Income taxes - deferred	(1,687)	(2,648)	1,288	3,196
Profit (loss)		(2,384)		15,499

Audit Report

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

Independent Auditor's Report

May 10, 2024

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

KPMG AZSA LLC
Tokyo Office, Japan

Shingo Iwamiya, CPA
Designated Limited Liability Partner, Engagement Partner

Hikomasa 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, 2023 to March 31, 2024 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 & Supervisory Board Members and the Audit & Supervisory Board are 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 & Supervisory Board Members and the Audit & Supervisory Board 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 & Supervisory Board Members and the Audit & Supervisory Board are 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.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the Consolidated Financial Statements audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board 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 & Supervisory Board Members and the Audit & Supervisory Board 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 10, 2024

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

KPMG AZSA LLC
Tokyo Office, Japan

Shingo Iwamiya, 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, 2024 and for the 83rd fiscal term from April 1, 2023 to March 31, 2024 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 & Supervisory Board Members and the Audit & Supervisory Board are 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 & Supervisory Board Members and the Audit & Supervisory Board 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 & Supervisory Board Members and the Audit & Supervisory Board are 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 & Supervisory Board Members and the Audit & Supervisory Board 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 & Supervisory Board Members and the Audit & Supervisory Board 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 & Supervisory Board

Audit Report

The Audit & Supervisory Board, following deliberations on the reports made by each Audit & Supervisory Board Member concerning the audit of execution of duties by Directors of the Board for the 83rd fiscal term from April 1, 2023, to March 31, 2024, has prepared this Audit Report as the unanimous opinion of all Audit & Supervisory Board Members and hereby submits it as follows:

1. Auditing Methods by Audit & Supervisory Board Members and Audit & Supervisory Board and the Content of the Audit
 - (1) The Audit & Supervisory Board established the audit plan for the current period (auditing policies, focused items, division of duties, etc.), and conducted a review of the deliberations of the Board of Directors, while receiving reports and explanations regarding the status of audits and the results thereof from each Audit & Supervisory Board Member, and making efforts to promote information-sharing. Also, we received reports and explanations from the Directors, Operating Officers and Accounting Auditors regarding the status of the execution of their duties, and requested further explanation as necessary.
 - (2) In accordance with the auditing standards for Audit & Supervisory Board Members determined by the Audit & Supervisory Board, and pursuant to the audit plan, making efforts to communicate with Directors, Operating Officers, the internal audit department and other employees, each Audit & Supervisory Board Member strove to collect information and improve the audit environment and performed audits by the following methods.
 - i) Each Audit & Supervisory Board Member conducted an examination of the status of operations and assets at the Company's head office and primary business locations by attending Board of Directors meetings, Management Committee meetings and other important meetings; receiving reports from Directors and Operating Officers, etc., regarding the status of execution of their duties and requesting further explanations as necessary; and inspecting important decision documents, etc. Audit & Supervisory Board Members also conducted an examination of the status of operations and assets at the Company's subsidiaries by maintaining communication and information sharing with their Directors and Audit & Supervisory Board Members, receiving Business Reports from the subsidiaries, and visiting the subsidiaries as necessary.
 - ii) Each Audit & Supervisory Board Member verified the resolutions adopted by the Board of Directors Meetings regarding the establishment of the system for ensuring that the Directors' execution of duties described in the Business Report are performed in conformity of laws, regulations and the Company's Articles of Incorporation, and the establishment of other systems necessary to ensure proper business operations of the corporate group consisting of the Company and its subsidiaries set forth in Article 100, paragraphs (1) and (3) of the Regulation for Enforcement of the Companies Act, regularly received reports from Directors and employees regarding the status of establishment and operations of the system (internal control system) established in accordance with the relevant resolution of the Board of Directors, requested explanations as necessary and expressed opinions.
 - iii) Audit & Supervisory Board Members also inspected the content of the basic policy set forth in Article 118, item (iii) (a) of the Regulation for Enforcement of the Companies Act, which is described in the Business Report.
 - iv) 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," based on 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, 2024.

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) There are no matters to be pointed out with respect to the basic policies on control of the Company in the Business Report.

(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, 2024

The Audit & Supervisory Board of TAIYO YUDEN CO., LTD.

Kazuyuki Oshima (Seal)
Audit & Supervisory Board Member (Full-time)

Toshimitsu Honda (Seal)
Audit & Supervisory Board Member (Full-time)

Hajime Yoshitake (Seal)
Outside Audit & Supervisory Board Member (Full-time)

Tomomi Fujita (Seal)
Outside Audit & Supervisory Board Member