Passive Components Factory Tours and Business Strategy

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TDK Corporation
IR&SR Group
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Agenda

1. Overview of Passive Components

- Location
- Business Strengths (Manufacturing Capabilities)

2. Product Overview

- MLCCs
- Aluminum Electrolytic Capacitors
- Thin-Film Inductors
- EMC Filters
- SST (Solid-State Transformer)

1. Overview of Passive Components Segment

Location

Americas

2 Countries 3 factories

- **Georgia** (MLCC)
- **Austin** (Anechoic chamber) (EMC test systems)
- **Gravataí** (Al. electrolytic capacitors) (Film capacitors)

Europe

7 Countries 7 factories

- **Akureyri** (Al. foil)
- **Šumperk** (Ferrites, PTC devices)
- **Heidenheim** (Wire wound inductors) (Film capacitors)
- **DeutschLandsberg** (Piezoelectric materials)
- **Szombathely** (Alu electrolytic capacitors, Wire wound inductors)
- **Malaga** (Film capacitors)
- **Kutina** (Piezoelectric material products)

East & South Asia

6 Countries 14 factories

- **Pyeongtaek** (Wire wound inductors)
- **Dalian** (Ceramic filters) (Noise suppression sheets)
- **Qingdao** (Wire wound an Multi-layer inductors)
- **Suzhou** (MLCC)
- **Hongqi** (Wire wound Inductors)
- **Xiaogan** (Surge arrestors)
- **Zhuhai** (Chip varistors) (Film capacitors)
- **Xiamen** (Wire wound inductors, Ferrites, buzzers) (Al. electrolytic capacitors)
- **Yangmei**
- **Nashik** (Film capacitors)
- **Kalyani** (Ferrite core)
- **Rojana** (Humidity sensors/Toner sensors)
- **Johore Bahru** (Surge arrestors)
- **Laguna** (Wound inductors) (Transformers)

Japan

1 Country 14 factories

- **Honjo West** (MLCC)
- **Honjo East** (Ceramic filters, Chip Varistors)
- **Ouchi / Iwaki** (Multi-layer inductors)
- **Nikaho North / South** (Dielectric materials)
- **Inakura** (Ferrite material/Cores, Pattern Coil)
- **Kitakami** (MLCC)
- **Sakata** (Wire Wound inductors)
- **Tsuruoka West** (Wire Wound inductors)
- **Tsuruoka East** (Thin-film inductors)
- **Yawata** (EMC test system) (Anechoic chambers) (Radio wave absorbers)
- **Kofu** (Thin film inductors, filters and substrate)
- **Iida** (Wire wound inductors)
- **Mikumagawa** (Applied films)

Total

16 Countries 38 factories

TDK In Everything, Better

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Factories in the Tohoku and Koshinetsu Regions

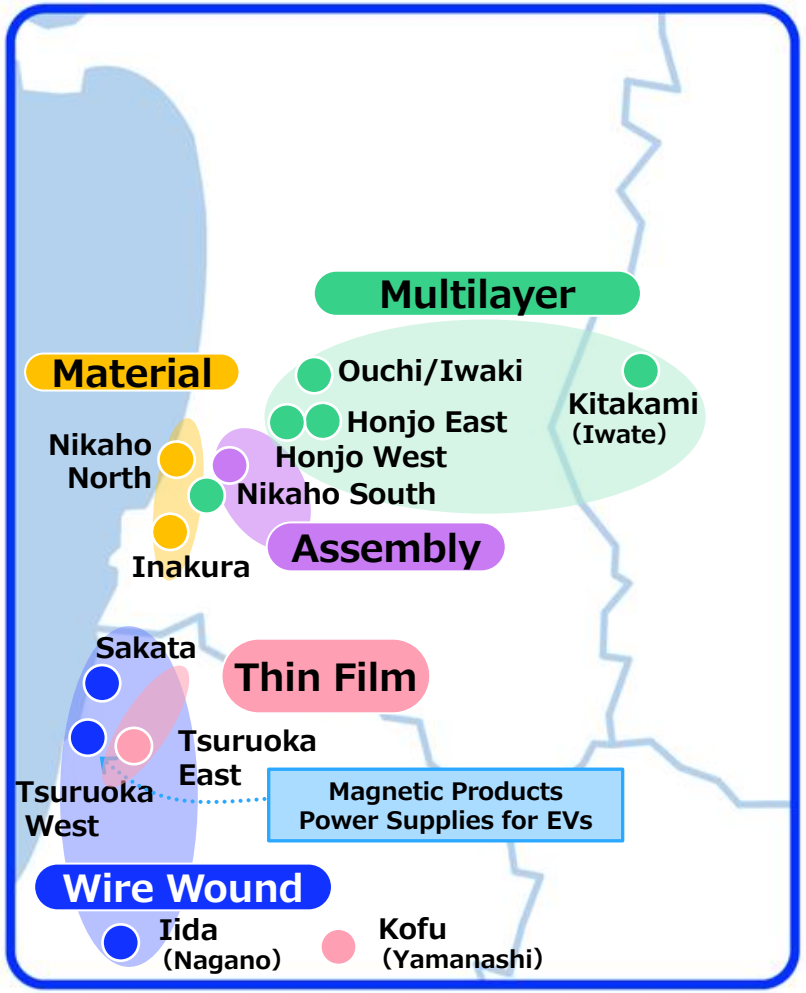
Yamagata
- Sakata
- Tsuruoka West
- Tsuruoka East

Nagano
- Iida

Akita
- Honjo East site
- Honjo West site
- Ouchi
- Iwaki
- Kitakami

- Nikaho North site
- Nikaho South site
- Inakura

Yamanashi
- Kofu



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Business Strengths

Material

Magnetic Dielectric Piezo
Semiconductor Metal Resin

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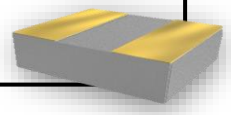
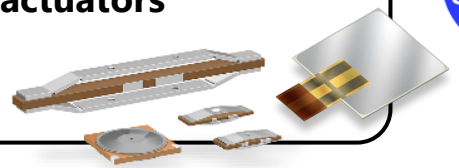
Process

Multilayer Press Molding Printing
Winding Thin Film Plating Assembling

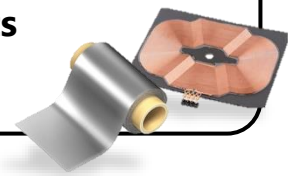
Next Gen
Embedded High power magnetics into Substrate



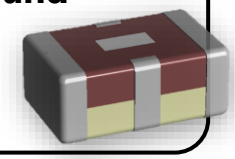
TDK Original
High definition actuators



TDK Original
Ultrathin magnetic sheet and applied products



TDK Original
Integrated Magnetic and Ceramic



Sales

Segment ICT Automotive Industrial
Areas China Asia Europe America

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Product

Capacitor (ALU/Film) Inductors EMC Filters
Varistor/NTC/PTC Piezo Electric RF Devices

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Manufacturing Strengths（Monozukuri Capabilities）

“Vertical” Monozukuri Capabilities

Manufacturing driven by materials technology to enhance mass-production quality, supply capabilities, and profitability.

At TDK, our manufacturing starts with materials technology.
We integrate and optimize core technologies, equipment development, process design, and quality assurance from upstream to downstream.
This enables us to achieve high quality, high productivity, and consistent results in mass production.

This **“Vertical Monozukuri Capabilities”** supports a quick ramp-up to mass production, stable supply, higher yields, and lower costs.

1 Faster Production Ramp-Up

Speed up the transition to mass production for an early market launch

2 Higher Quality & Productivity

Build quality into the process, reducing defects while raising productivity

3 DX & Kaizen for Competitiveness

DX and continuous improvement accelerate the optimization of quality, delivery, and cost, strengthening competitiveness

- Close coordination between Business Groups and factories
- Support from Production HQ and Technology HQ

Company-Wide Focus Areas

- Same-day issue resolution using dashboards
- Accelerated QDC improvements through DX
- Identification of bottlenecks and launch of improvements
- Small-group activities at all factories
- IE analysis, enhanced maintenance capabilities, and operator training
- Periodic audits by QA HQ

Manufacturing Strengths（Monozukuri Capabilities）

“Horizontal” Monozukuri Capabilities

We connect factories and talent around the world, share and scale **outstanding technologies, knowledge, and experience** across locations, and create synergies through **RENDO*** — enabling highly repeatable manufacturing.

Close Coordination ＞ Standardization ＞ Cross-Site Deployment ＞ Enhanced Competitiveness

Monozukuri Way

- Share the Manufacturing Charter and Values
- Define Common KPIs
- Create Handbooks
- Management Dashboards

Global Monozukuri Network

- AI & DX Best Practice Conference
- Develop Tools for Sharing AI & DX Applications
- IE Analysis & OE Improvement Case Study Conference
- Maintenance Case Study Meeting
- Monozukuri Conference

Monozukuri Talent Training

- Promote Small-Group Activities
- Factory Leadership Training
- Employee Exchange Program
- Develop Transformation Plans through Group Discussions

Monozukuri Model Factory

- Certification System (DX / TPM Activities / Quality Improvement / EP Activities, etc.)
- Outstanding Factory Awards
- Foundation for Cross-Site Deployment

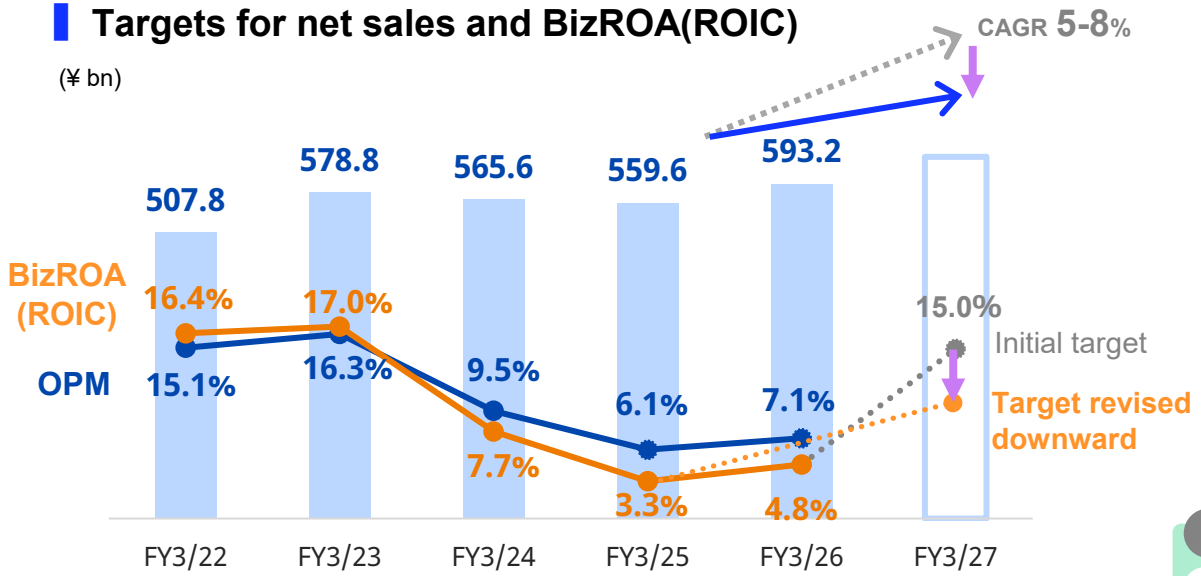
This enables reduced quality variation, shorter ramp-up times, and improved supply stability.

* RENDO(連動) is a Japanese word that roughly translates as “alignment.” It refers to the deepening of the alignment among various organizational activities.

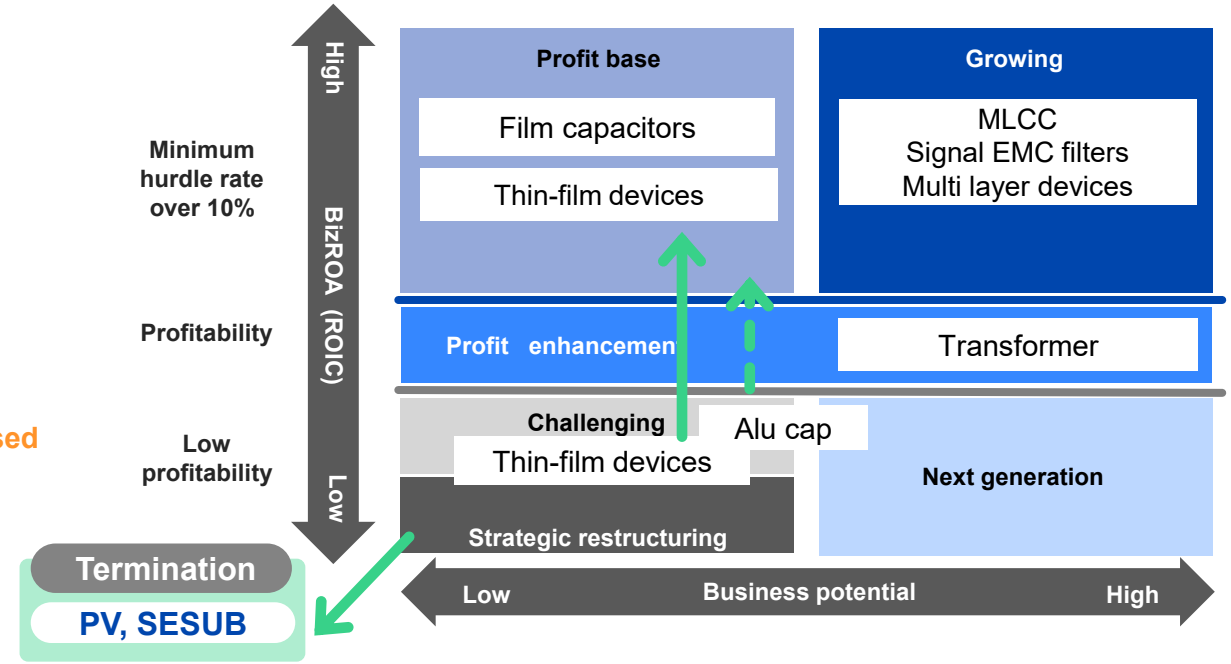
2. Product Overview

Passive Components

Targets for net sales and BizROA(ROIC)



Business portfolio map



Reasons for lowering of mid- to long-term ROIC targets

- Sluggish demand in the BEV and industrial equipment markets

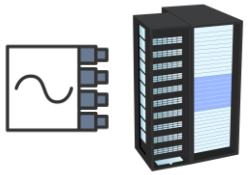
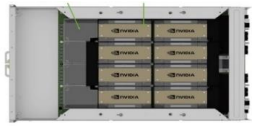
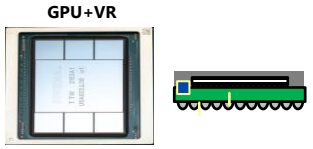
Strategy progress

- Expansion of low power consumption components for AI servers
- Secure supply capacity for high-value-added products
- Increase in supply capacity for aluminum electrolytic capacitors
- Strategic actions in materials development (MLCC, etc.)
- Strengthen competitiveness in high-reliability products for automotive powertrain
- Review product portfolio and accelerate DX

Potential for mid- to long-term growth

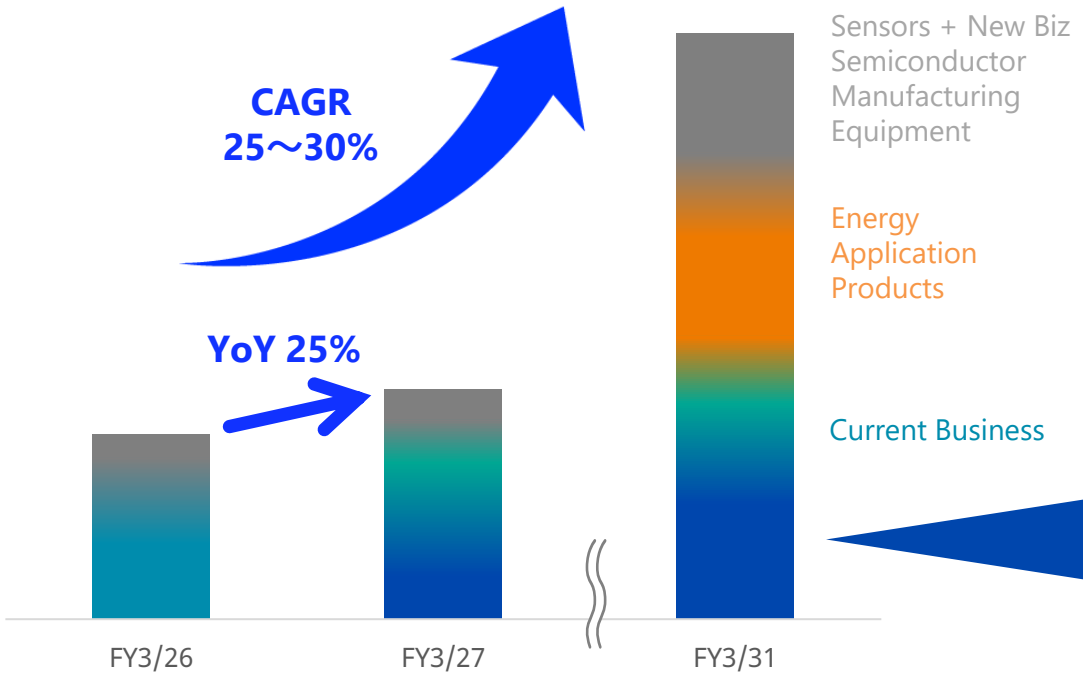
- Expansion in high-growth markets, including AI ecosystem
- Market entry with new products in photoelectronic conversion and robotics
- Collaboration with TDK Ventures portfolio companies to apply cutting-edge technologies
- Improve profitability through portfolio review

Sales expansion of high-voltage / low-voltage and high-current components for AI data center-related applications

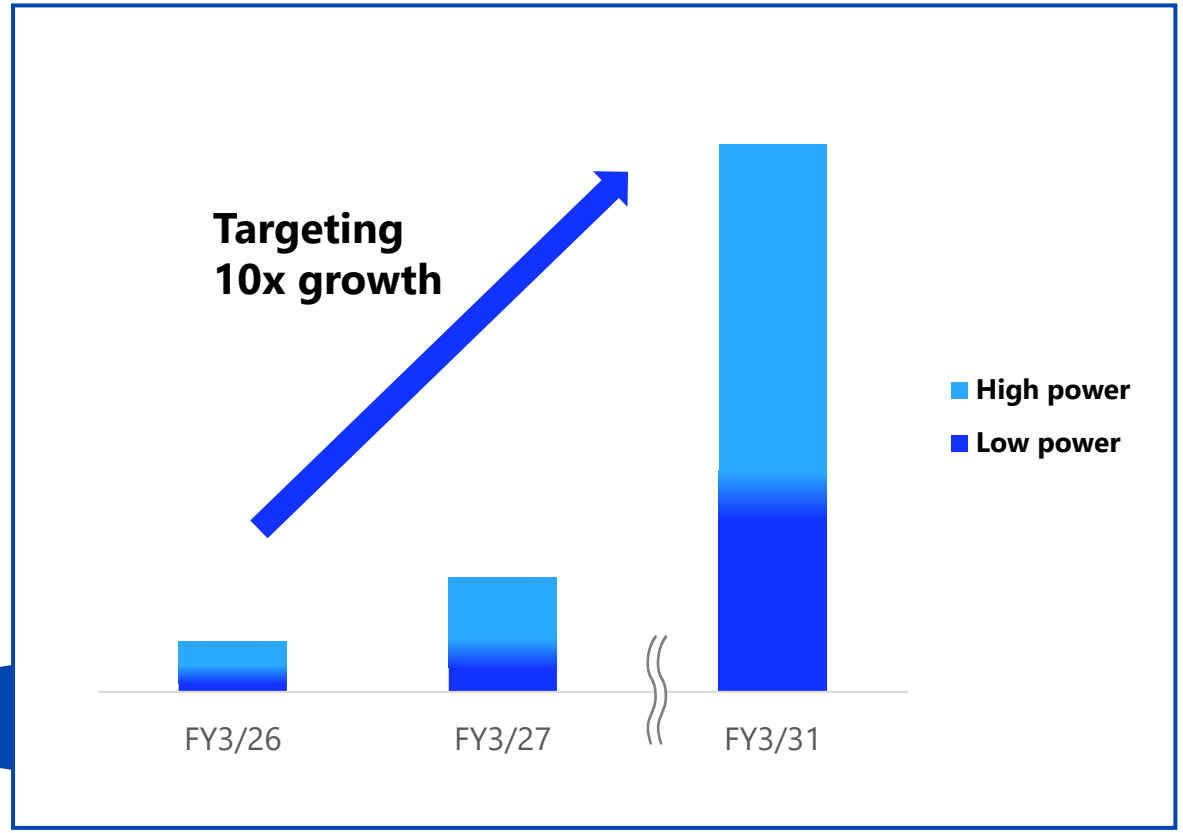
	AC High Voltage		DC High Voltage		DC Low Voltage			
	PW Grid		UPS *	PSU **	GPU Base Board	Accelerator		GPU package
								
	AC >	AC ~240V		400Vdc-or 800Vdc	48V	12V	<1V	<1V in Package
Capacitors	400-800V High-Voltage Capacitors Aluminum Capacitors, MLCCs, and Film Capacitors				Hybrid Polymer, MLCC	Low-Voltage & High-Capacitance Capacitors		
Inductors Transformers EMC	Reactor	Ferrite Core, Power-use inductor		Pulse Trans-former	Power-use inductor, Chip Beads	Low-Voltage & High-Current Thin-film & Wire-wound Inductors		
						Optical Transceiver Module Thin-film Inductors & Chip Beads		

Scaling up Passive Components sales for AI data center-related applications

Sales for AI Market (FY3/26 Actual・FY3/31Target)

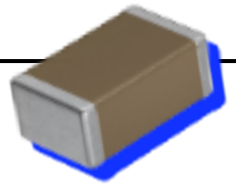


Sales forecast of passive components for AI data center-related applications



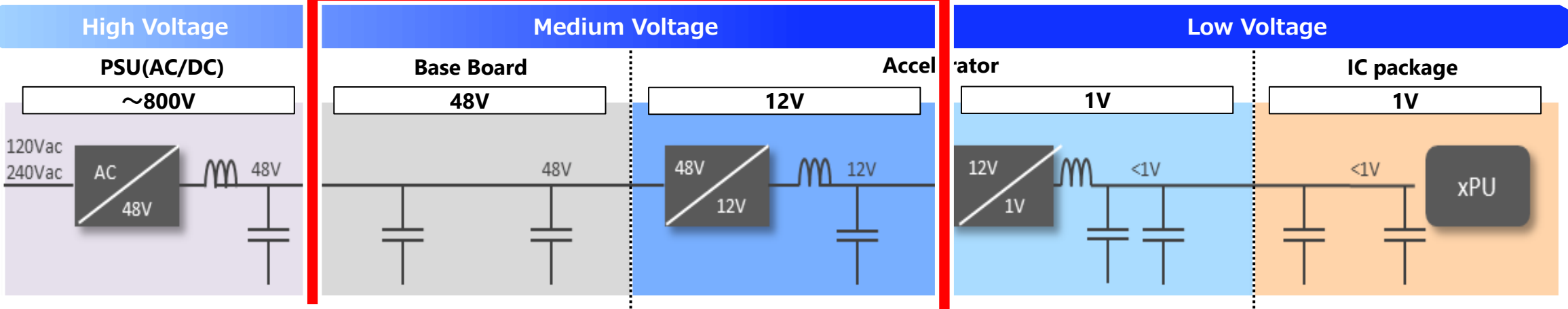
MLCCs

Honjo West
Kitakami



MLCC | Products for AI Data Centers

We will strengthen our position in high-voltage and high-temperature AI data center power applications while launching new low-voltage products.



	Large Size / High Reliability / Resin Electrodes / 125°C		Small Size / Thin Film / 105°C	Special Shapes / Long Life / Flame-Retardant Sealing / 105°C
Sales Expansion / Existing Products	Advanced Product Sales / Price Competitiveness		Price Competitiveness through Cost Reduction	Expand Advanced Product Sales / Enhance Price Competitiveness
Step1	Qualify Existing Products	Expand Share with New Products	Strengthen Price Competitiveness of Existing Products	Expand Sales of Embedded Capacitors
Step2	Lead the Market with New Products		Expand Share with New Products	Develop the Market with Thin-Film Capacitors

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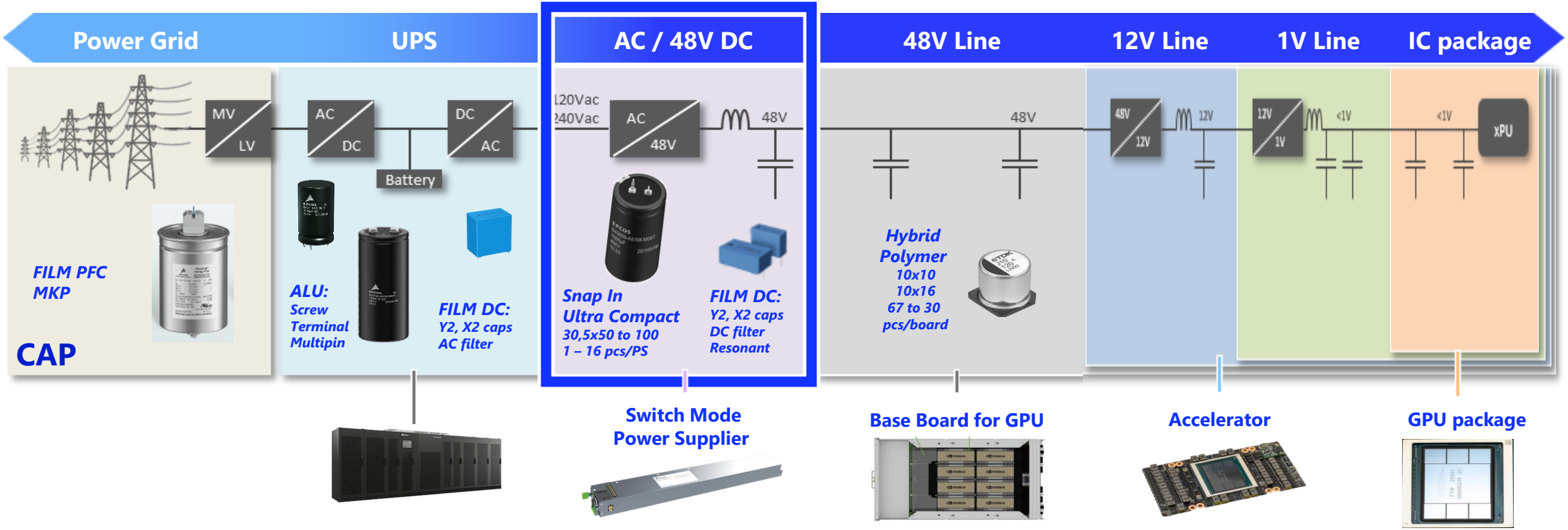
Aluminum Electrolytic Capacitors

Szombathely
Xiamen

SI UC | Snap In Ultra Compact

A key component of **switching-mode power supplies (SMPS) used in AI servers. Compactness, robustness, and high performance** are essential requirements for SI UCs. TDK holds a strong market share in this field.

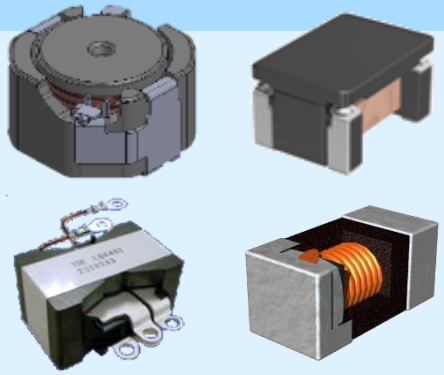


Key Manufacturing Process Technologies for Inductors

Products for Customer Needs

Materials Technology (Ferrite, Metal)× Process Technology

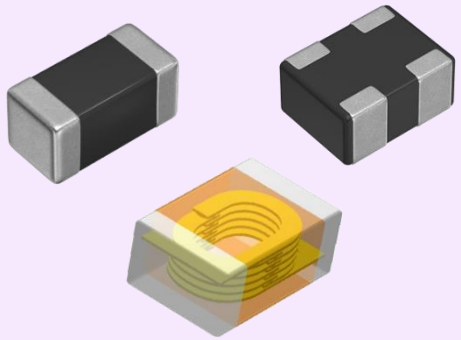
Wire Wound Process



Inductor, EMC Filter, Transformer

- Precision molding
- Winding
- End electrode formation

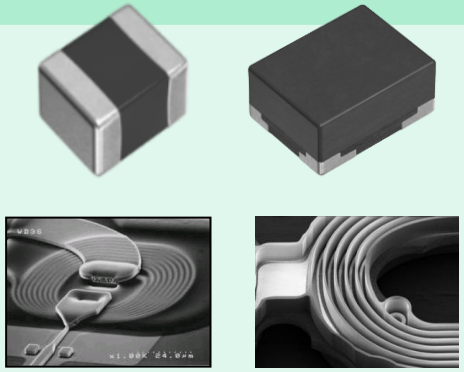
Multilayer Process



Multilayer Inductor

- Precision multilayer
- Different materials co-firing

Thin Film Process



Thin Film Power Ind.

- Head micro technology conversion of coil
- Plating

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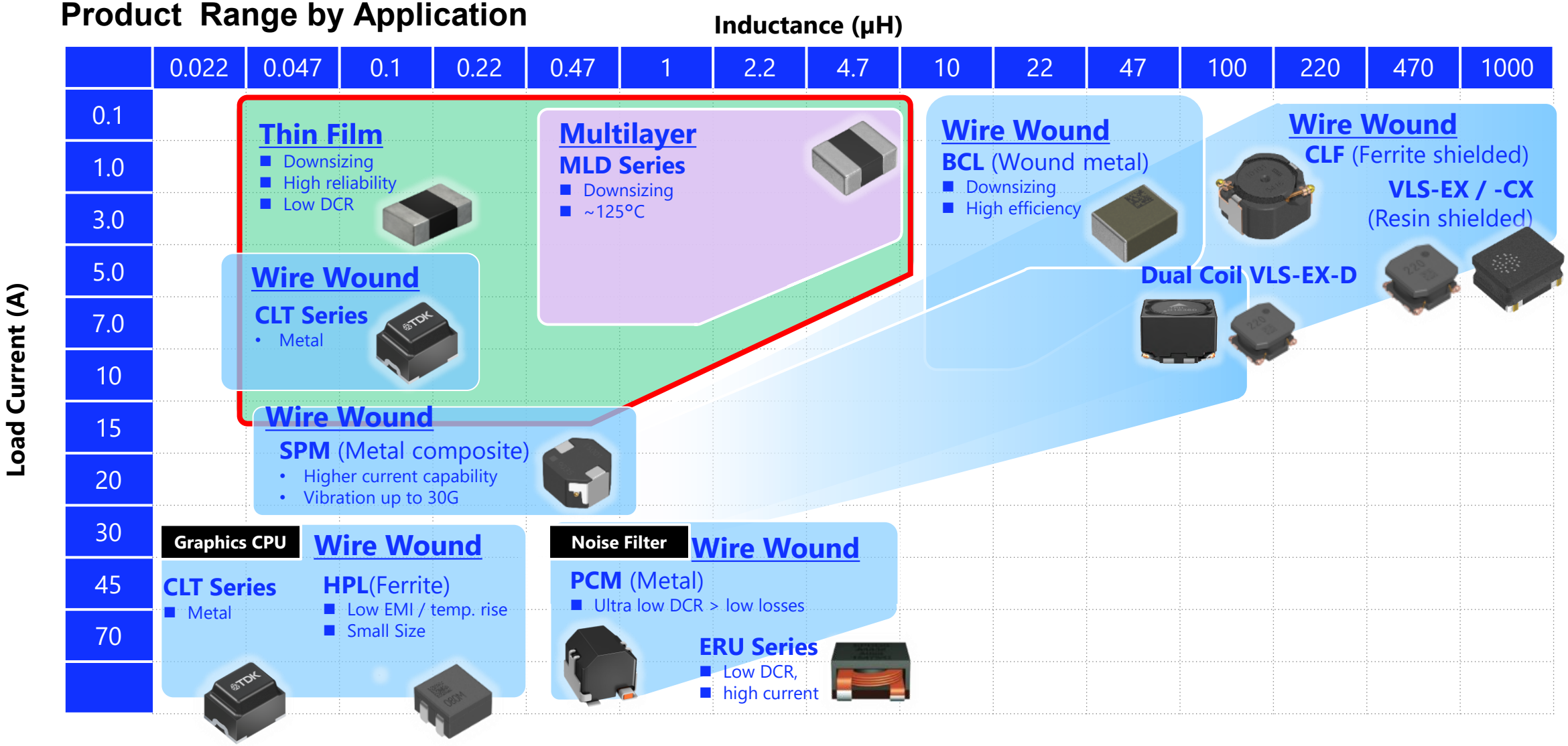
TDK Power Inductor Mapping

Product Range by Application



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Thin-Film Inductors

Tsuruoka East

Functions

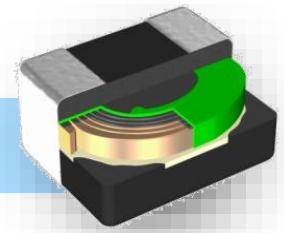
1 Smooths Current and Voltage

2 Circuit Miniaturization

3 Reduces Power Loss and Heat

HDD Head-Derived TDK Proprietary Technology

TDK-Developed Magnetic Metal Materials Enable **High Performance**



Features

Compact, Low-Profile, and Flexible Wiring

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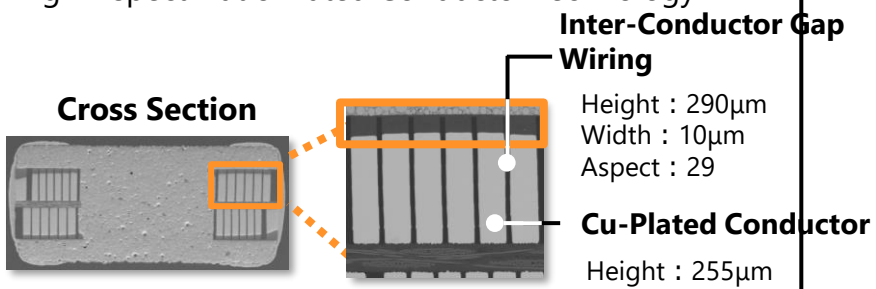
High Reliability and Low Resistance

High-Aspect-Ratio Plated Conductor Technology

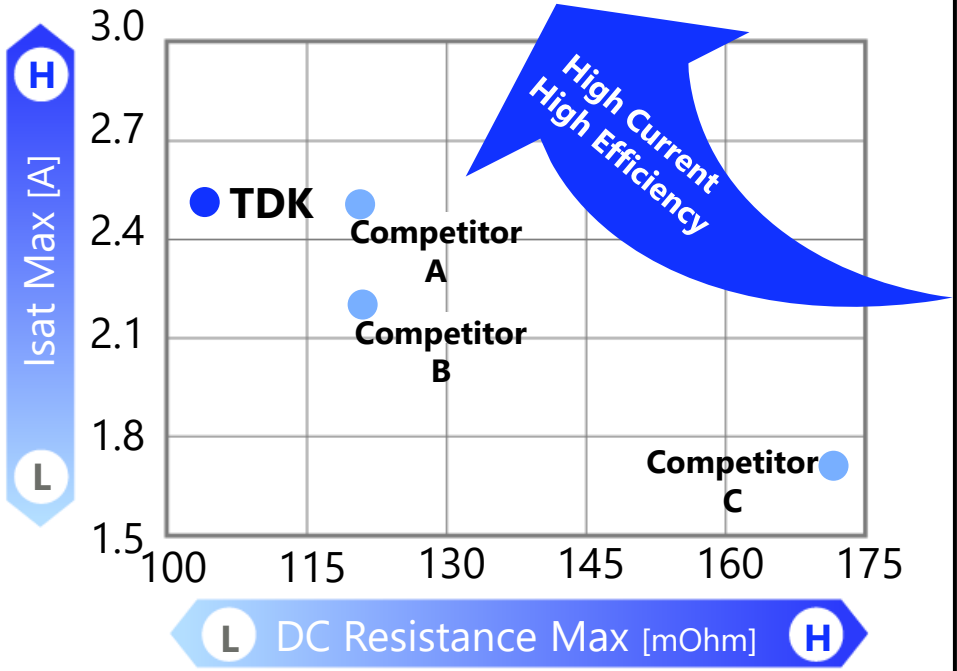


Features

Design with No Exposed Metal Conductors

Outperforming Competitors with Low Loss and High-Current Capability

Performance Comparison with Competitors



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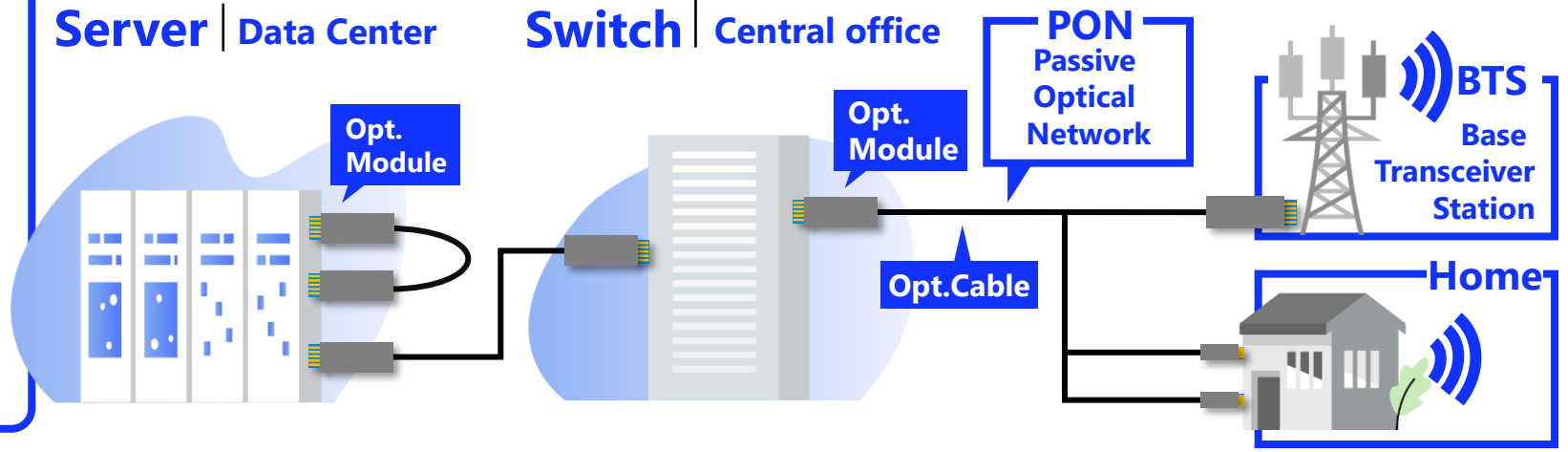
Thin-Film Inductors | Optical Module

Tsuruoka East
Kofu

Faster optical modules require high-performance DC/DC converters.

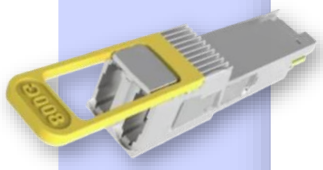
TDK's offering

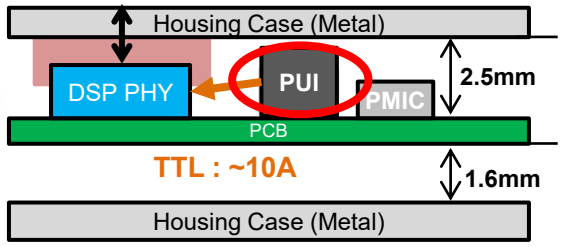
Compact, high-performance inductors for power supply applications



Thin-Film Technology for Optical Module

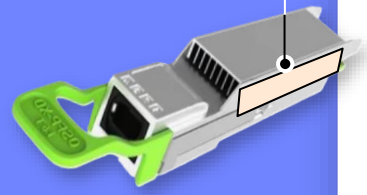
400Gbps OSFP Module

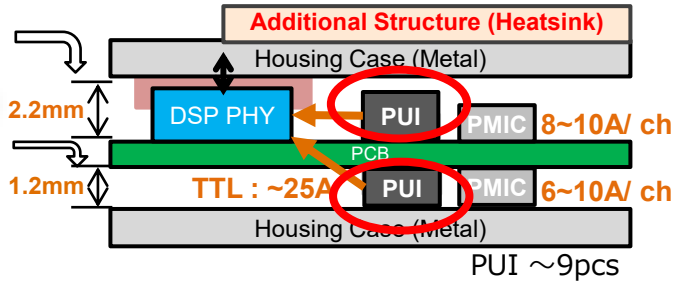




1.6Tbps OSFP Module

Thicker Heatsink





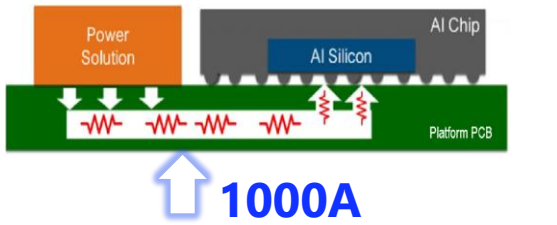
Thin-Film Inductors | Embedded in CPU/GPU Packages

Tsuruoka East
Kofu

TDK's thin-film technology for embedding inductors in packages, essential for power delivery to next-generation CPUs and GPUs

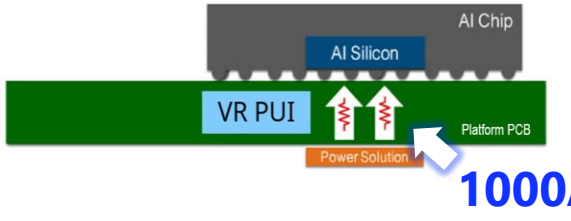
Thin-Film Technology for Package Embedded

Current Voltage Regulator



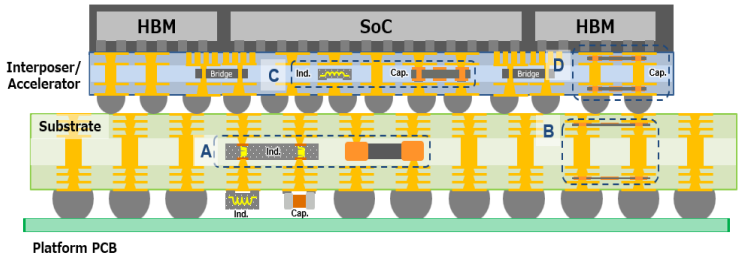
Long High Current Path **Big Loss**

Integrated Voltage Regulator



Optimized High Current Path **Low Loss**

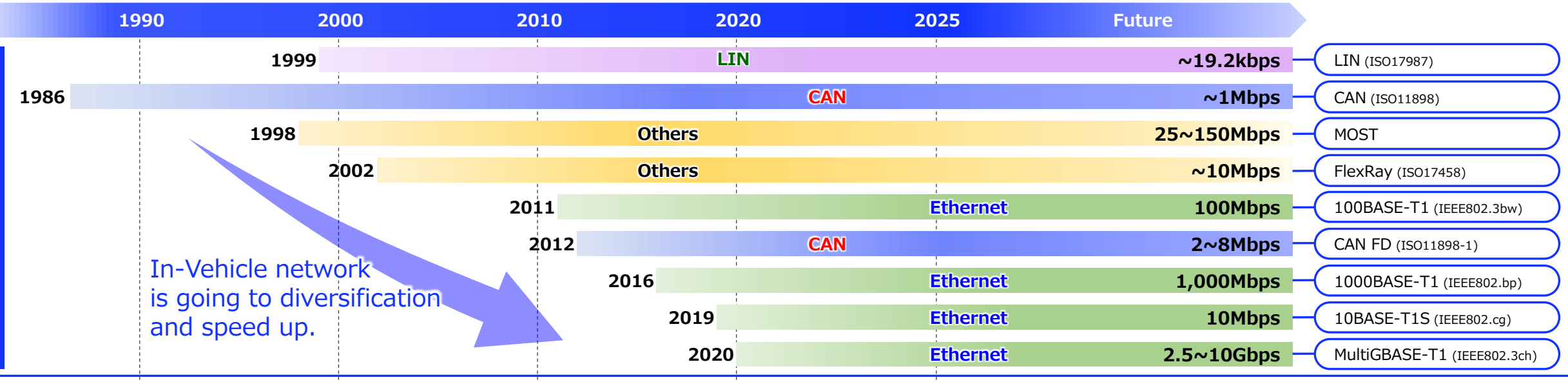
Thin Film Inductor



1. TDK's proprietary technology rooted in HDD head technology
2. Key strengths: miniaturization, uniformity, and high dimensional accuracy
3. Capable of meeting the stringent requirements for integration into semiconductor packages

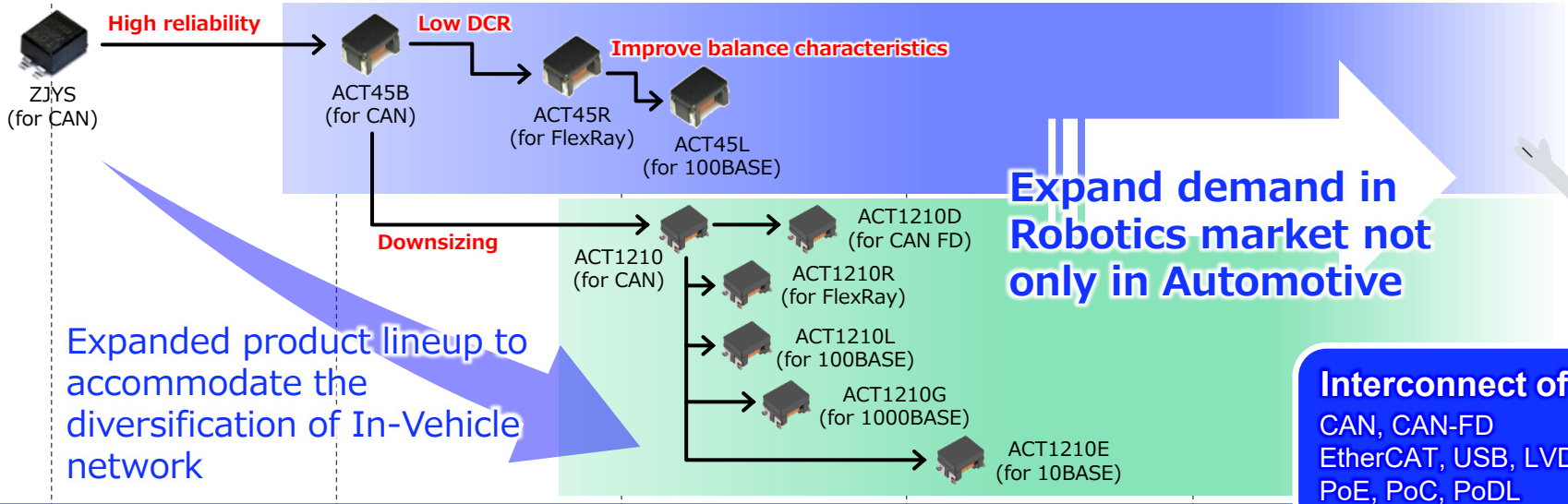
EMC Filters | Growing Demand for Robotic Components

Trend for In-Vehicle Network



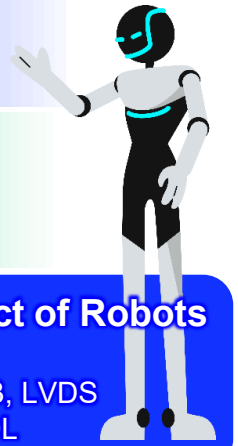
In-Vehicle network is going to diversification and speed up.

Product Platform And Development



Expanded product lineup to accommodate the diversification of In-Vehicle network

Expand demand in Robotics market not only in Automotive



Interconnect of Robots
CAN, CAN-FD
EtherCAT, USB, LVDS
PoE, PoC, PoDL

ACT45 series

ACT1210 series

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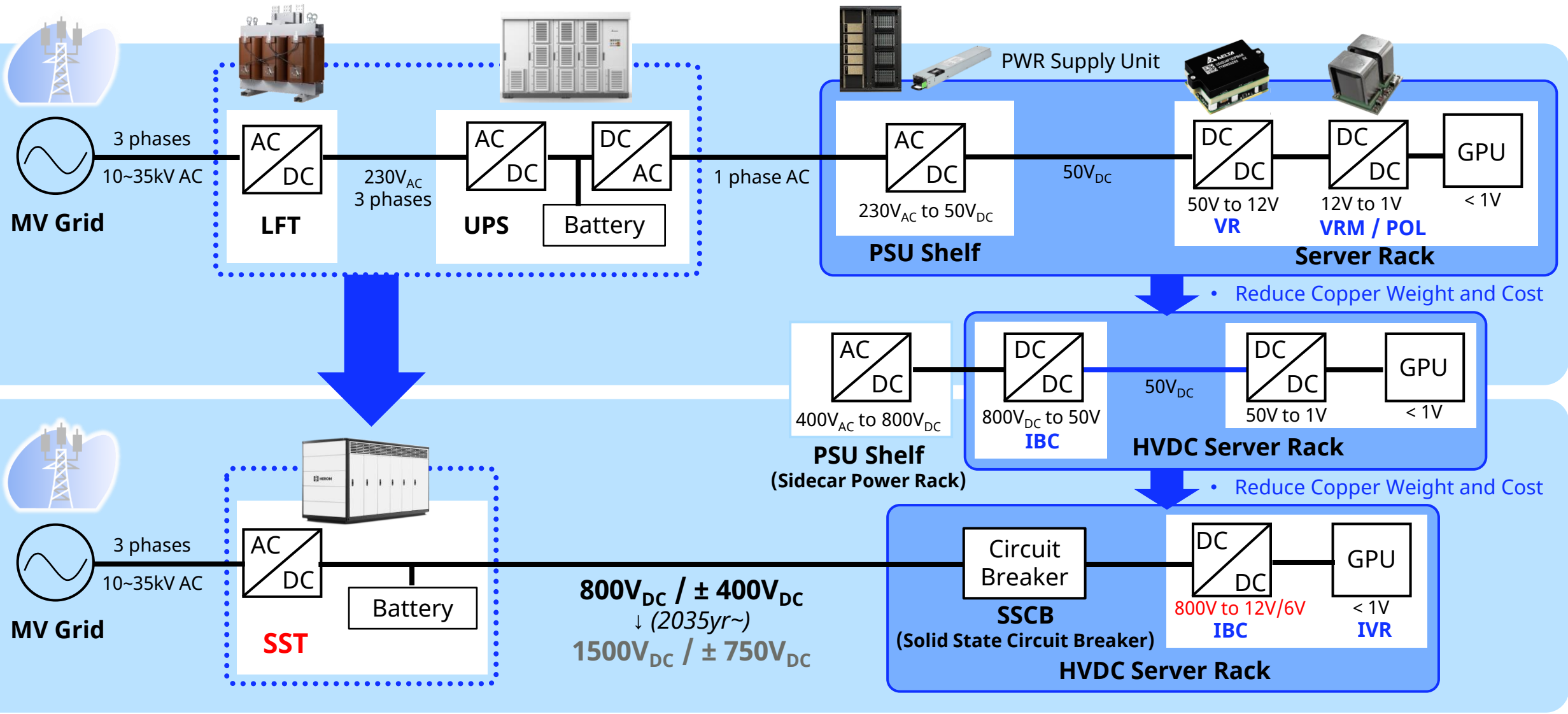
Change AI Server Rack HVDC Architecture to 800VDC



VRM : **V**oltage **R**egulator **M**odule **IBC** : **I**ntermediate **B**us **C**onverter **IVR** : **I**ntegrated **V**oltage **R**egulator

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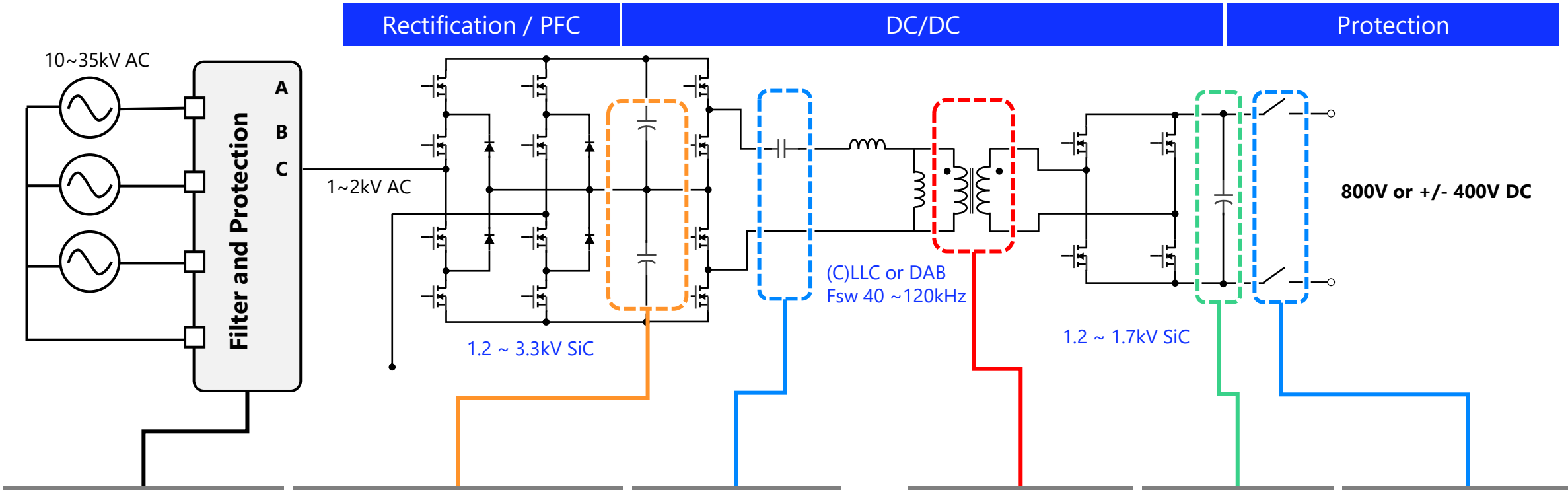
TDK Products for SST -Power Cell-



Y capacitor

Ultra High Voltage Ceramic Capacitor

Mid-High Voltage Ceramic Capacitor

MOD Cap

Film cap.

Al cap.

MKP DC

MLCC (High Voltage)

Film cap.

Transformer

Ferrite Core

MKP DC

High Voltage Contactor

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