



# **TDK Investor Day 2025**

## **Medium-term Plan Update**

Toward Long-term Enhancement of  
Corporate Value

Noboru Saito, President & CEO  
TDK Corporation  
November 28, 2025



# Agenda

- 1. Long-term Vision and Medium-term Plan Update**
- 2. Evolving TDK's Governance**
- 3. Dialogue with Outside Directors**



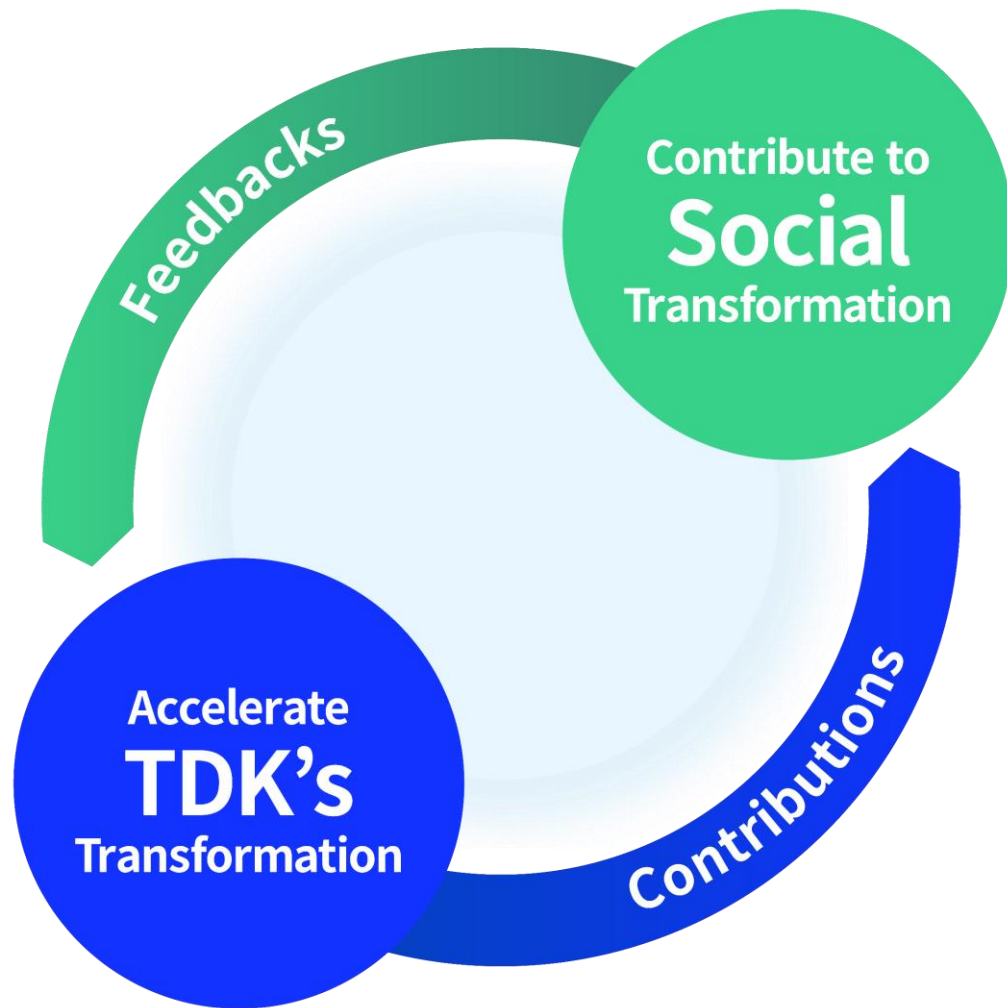
# 1. Long-term Vision and Medium-term Plan Update

# My commitment as President & CEO (from Investor Day 2024)

- ▶ We have formulated our vision of what we want to be 10 years from now (Long-term Vision). We have back-casted from our vision for 10 years to identify the path to enhancing our corporate value.
  - ▶ Based on our materials × process × software technologies, we will become the No.1 partner for our world-wide customers and accelerate social transformation for a sustainable future.
  - ▶ We will enhance our business portfolio management, increase the spread between ROIC and WACC, increase cash flows, improve capital efficiency, and strengthen business management to increase financial capital.
  - ▶ We will evolve the Ferrite Tree and reinforce business management to increase pre-financial capital, which is the source of future cash flows.
- See “TDK Investor Day 2025: To Enhancement of Corporate Value through Pre-financial Capital”, held on September 1, 2025
- ▶ We will focus more on investor dialogue and investor relations.

Today's discussion topics

# Long-term Vision: TDK Transformation (from Investor Day 2024)



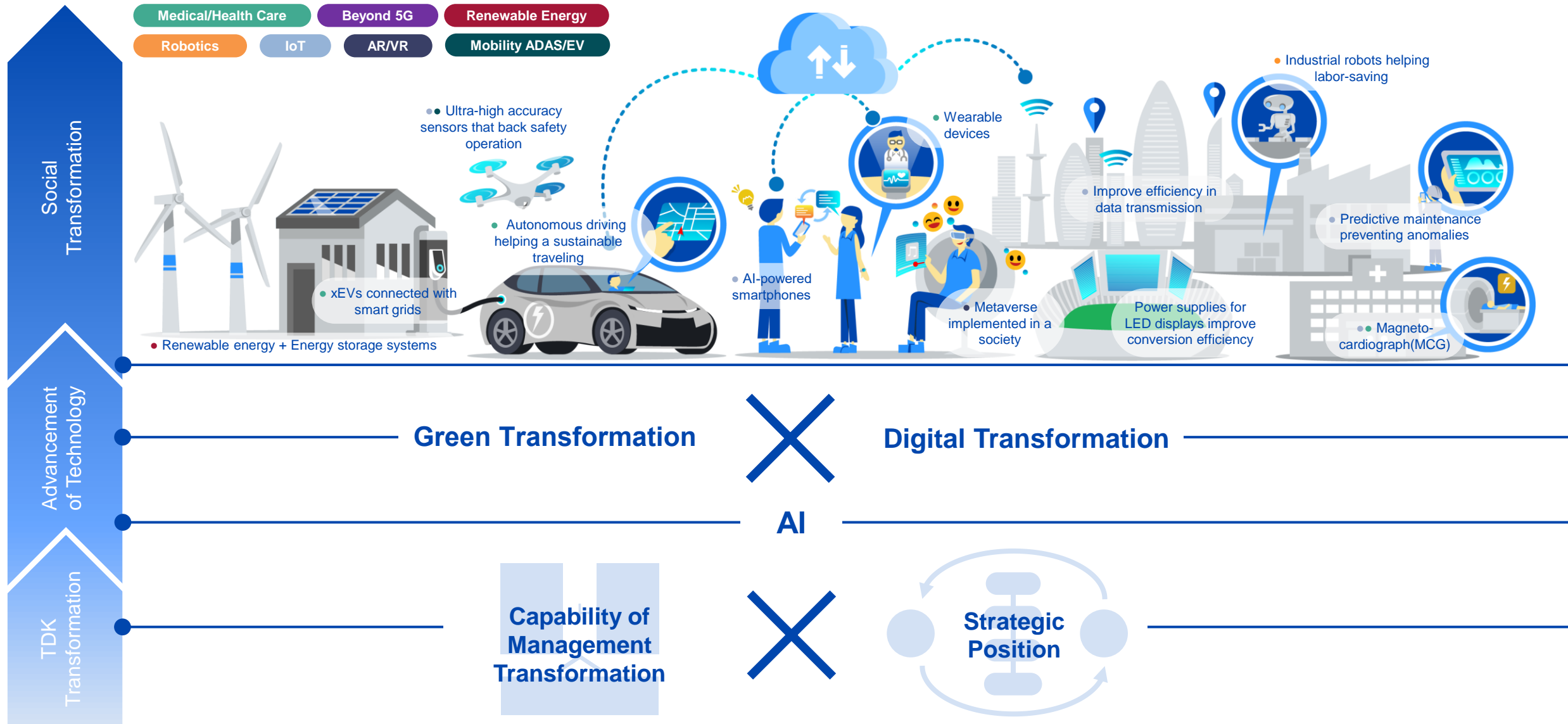
## Long-term Vision

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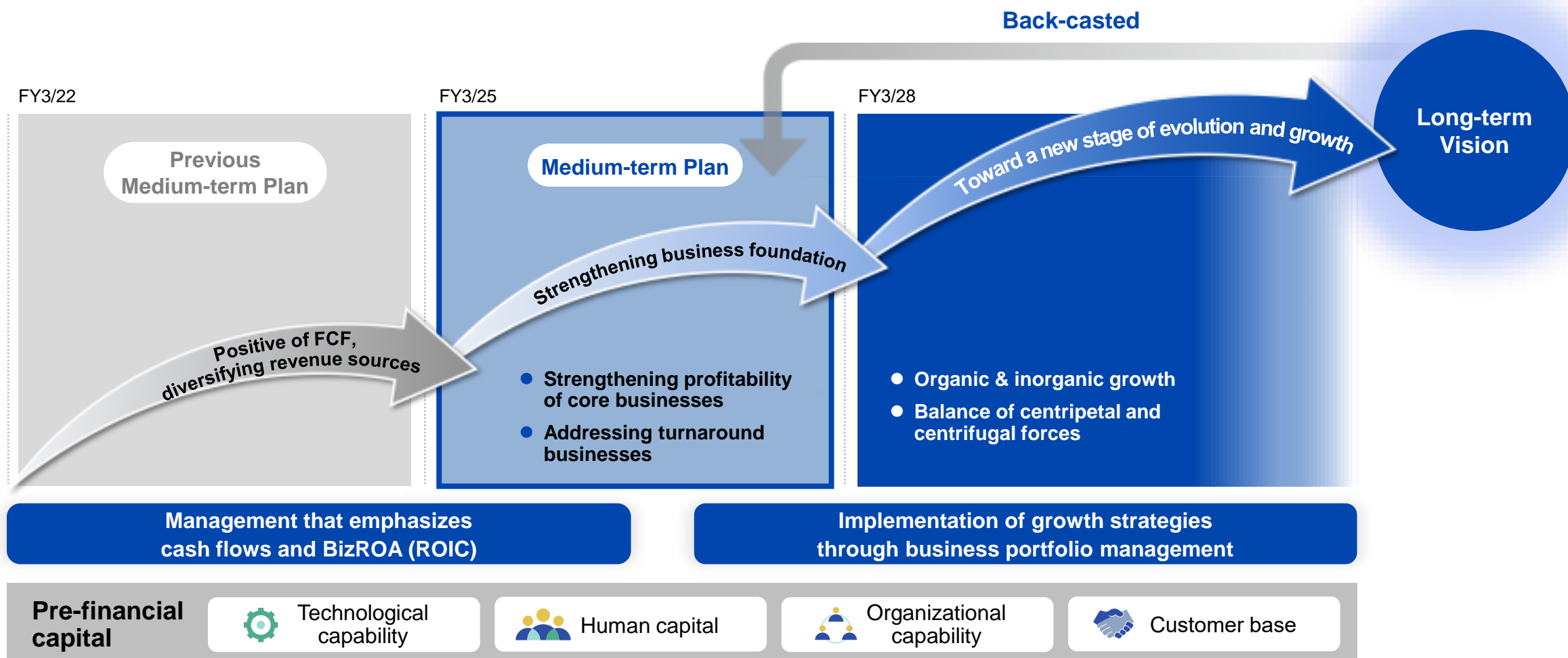
# TDK Transformation

Accelerating transformation  
for a sustainable future

# Image of social transformation TDK projects (from Investor Day 2024)



# Medium-term Plan back-casted from the Long-term Vision



# Financial/Pre-financial KPIs

- In FY3/25, we achieved initial targets; no change to final-year targets of the mid-term plan (FY3/27).
- Management focus is orienting toward mid- to long-term target state.

			FY3/25	FY3/26	FY3/27	Mid/long-term target state ▼
Financial indices	Growth	Net sales [¥ bn] (CAGR)	2,204.8	2,370.0	2,500.0 (approx. 5%)	(10% or more)
	Efficiency	ROE	9.5%	9.7%	10% or more	15% or more
		ROIC (>WACC)	6.7% (<7.0%)	7.2%	8% or more	12% or more
		Operating profit margin(OPM)	10.2%	10.3%	11% or more	15% or more
	Financial soundness	Shareholders' equity ratio	51%	Approx. 50%	50% level	
		D/E ratio	0.3x	0.35x	0.3 - 0.4x	
Pre-financial indices		Team member engagement (TME)				
	KPIs	Communication score	68pts.	71pts. (actual)*2	75pts. or more	
		Response rate	90%	92% (actual)*2	80% or more	
		CO <sub>2</sub> emission reductions*1 (vs. FY3/22)	47.7%	-	23.3%	42.0%
		Exchange rate assumptions	¥153/US\$	¥146/US\$	¥135/US\$	¥135/US\$

\*Note1: CO<sub>2</sub> emission reductions = Targets of SBTi Scope1+2 CO<sub>2</sub> emission reductions, whose figures in FY3/24 are approximate.

\*Note2: Results of 2025 TME survey



# Medium-term Plan: Key points

Corporate value

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Maximize FCF generation

↑

Cost of capital (WACC)

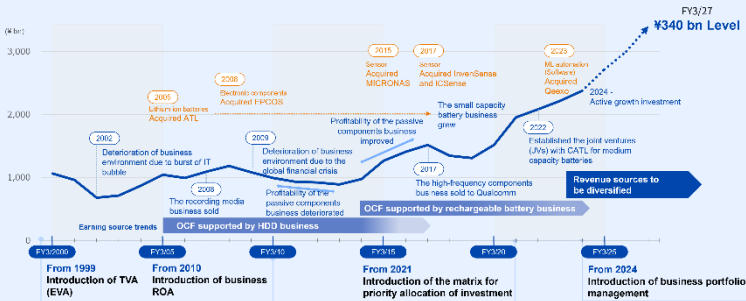
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Expected growth rate

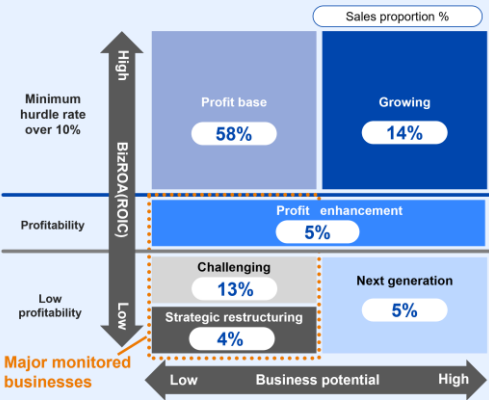
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## Key points

### 1 Strengthen management focusing on cash flows



### 2 Enhance business portfolio Management (Emphasizing ROIC)

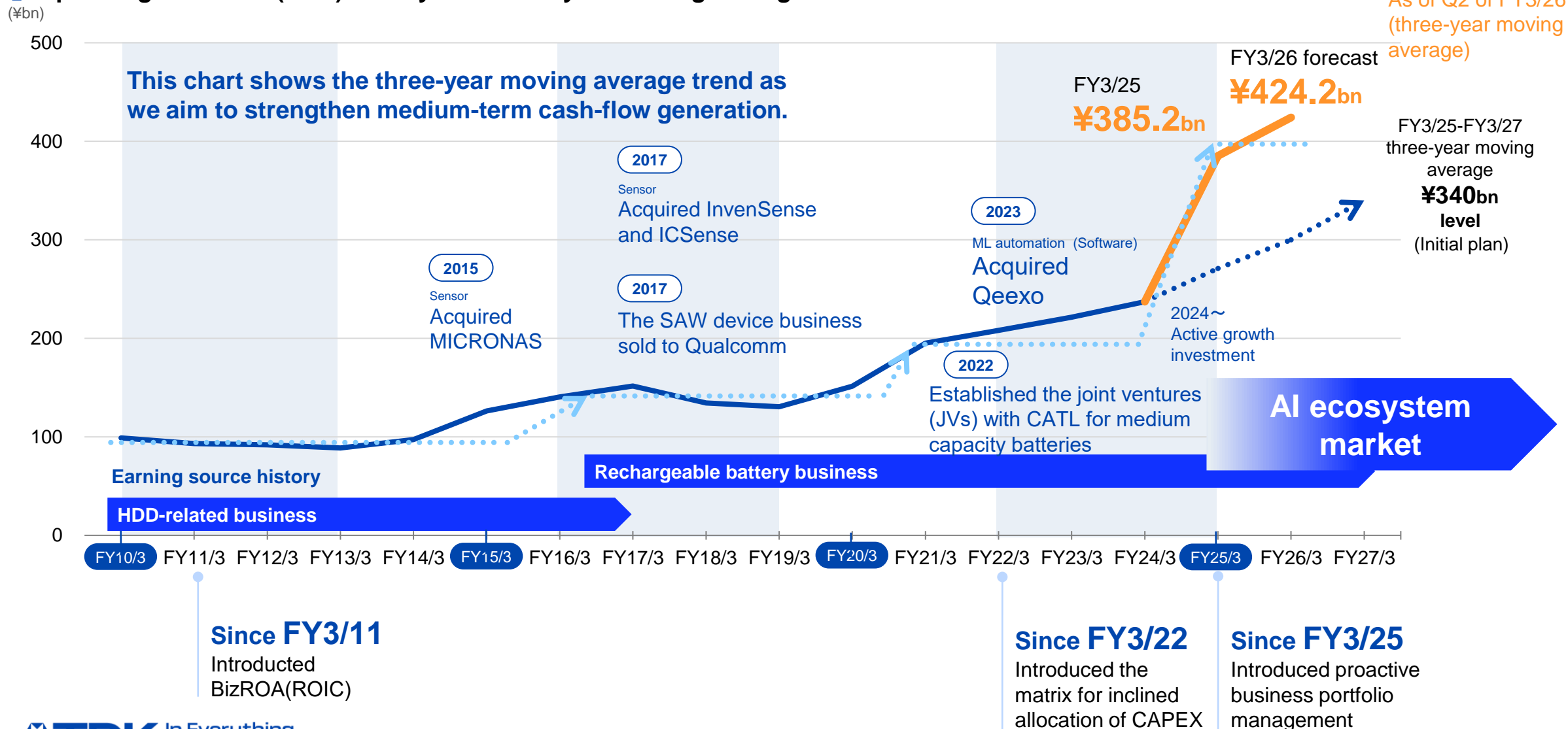


### 3 Evolve the Ferrite Tree (Pre-financial capital)



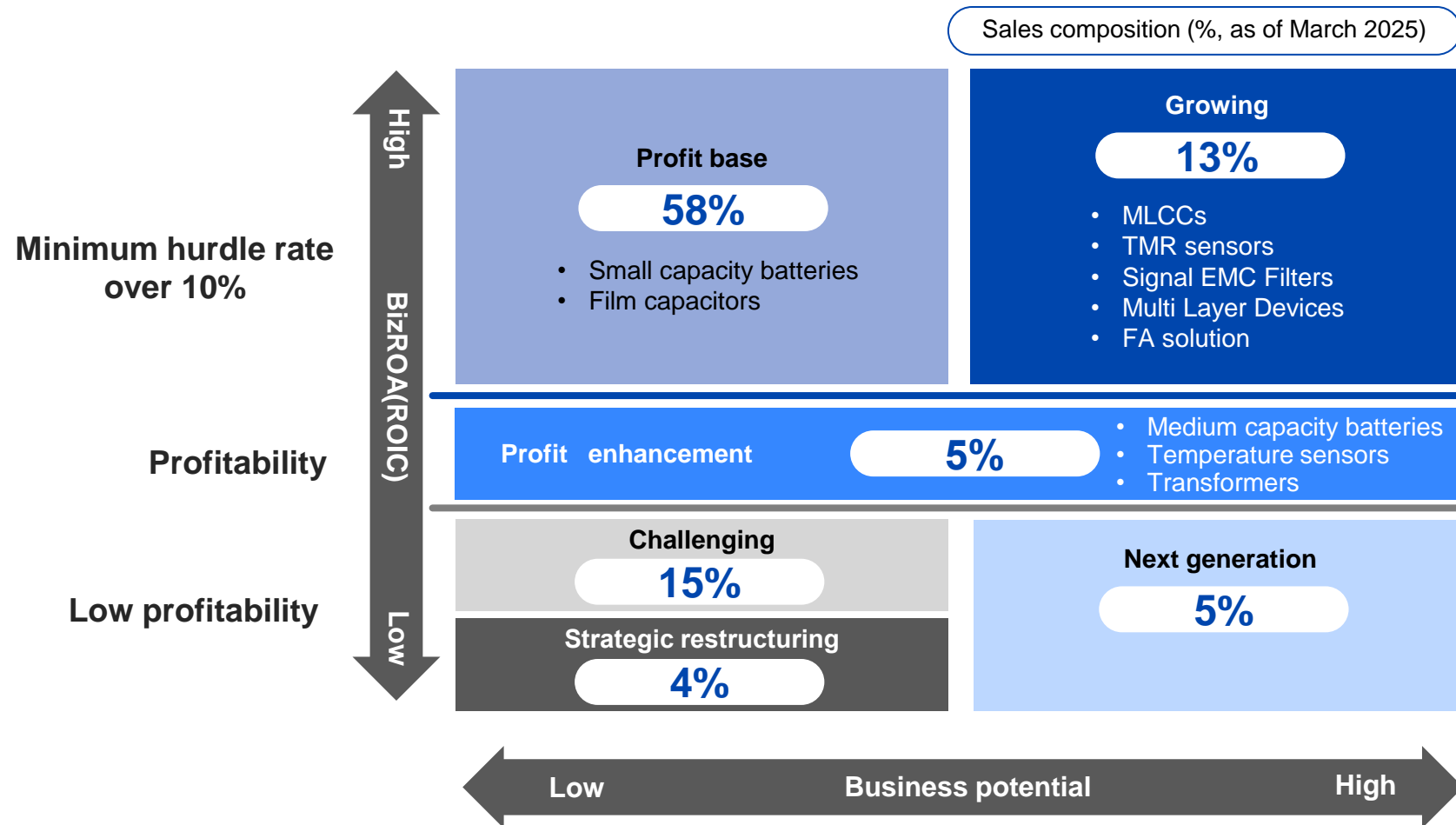
# Improved our earning capability by replacing our business portfolio

## Operating cash flow (OCF) history on a three-year moving average



# Advancing proactive business portfolio management

## Business portfolio map



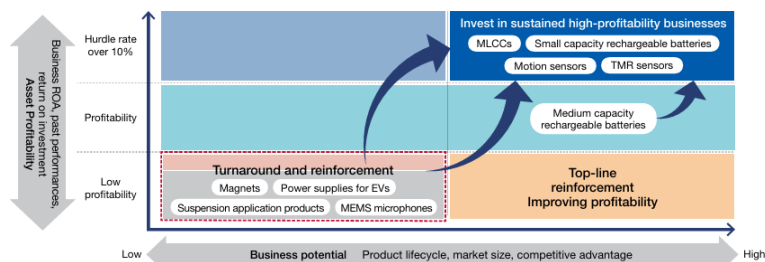
- BizROA = Business OP after tax and before distribution of corporate expenses divided by business assets.
- The 10% minimum hurdle rate is calculated, considering the 7% corporate WACC and corporate expenses.

# Continued evolution of business portfolio management

- 2022: Introduced a six-tier investment allocation matrix for about 80 cashflow business units (CBUs) based on “ROIC” and “business potential.”
- 2023: Disclosed CBU\* names for identified challenges and growth areas
- 2024: Introduced proactive business portfolio management and disclosed sales composition
- 2025: Disclosed number of “business units to be intensively monitored” and reported on divestments/closures and business terminations

## 2022

Matrix for inclined allocation of CAPEX



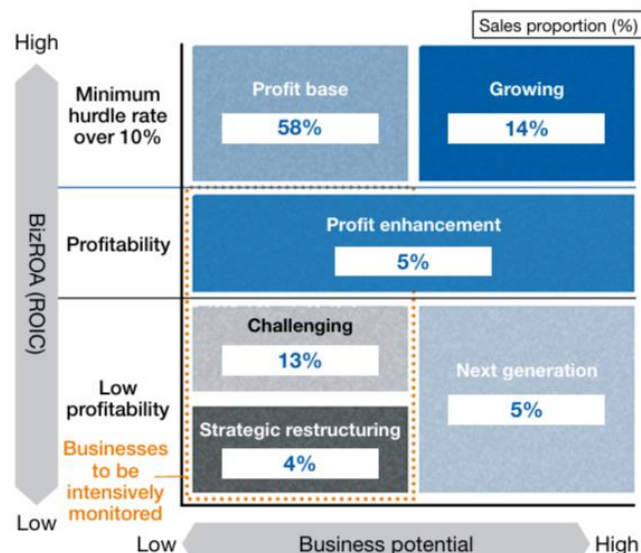
## 2023

Disclosed CBU names

## 2024

“Proactive” business portfolio management

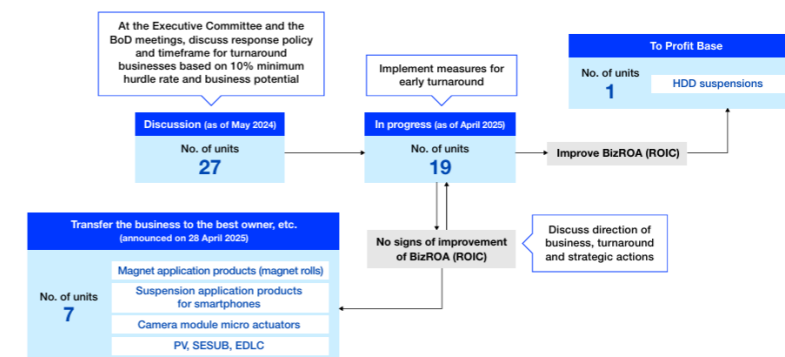
Disclosed sales composition



## 2025

“Proactive” business portfolio management

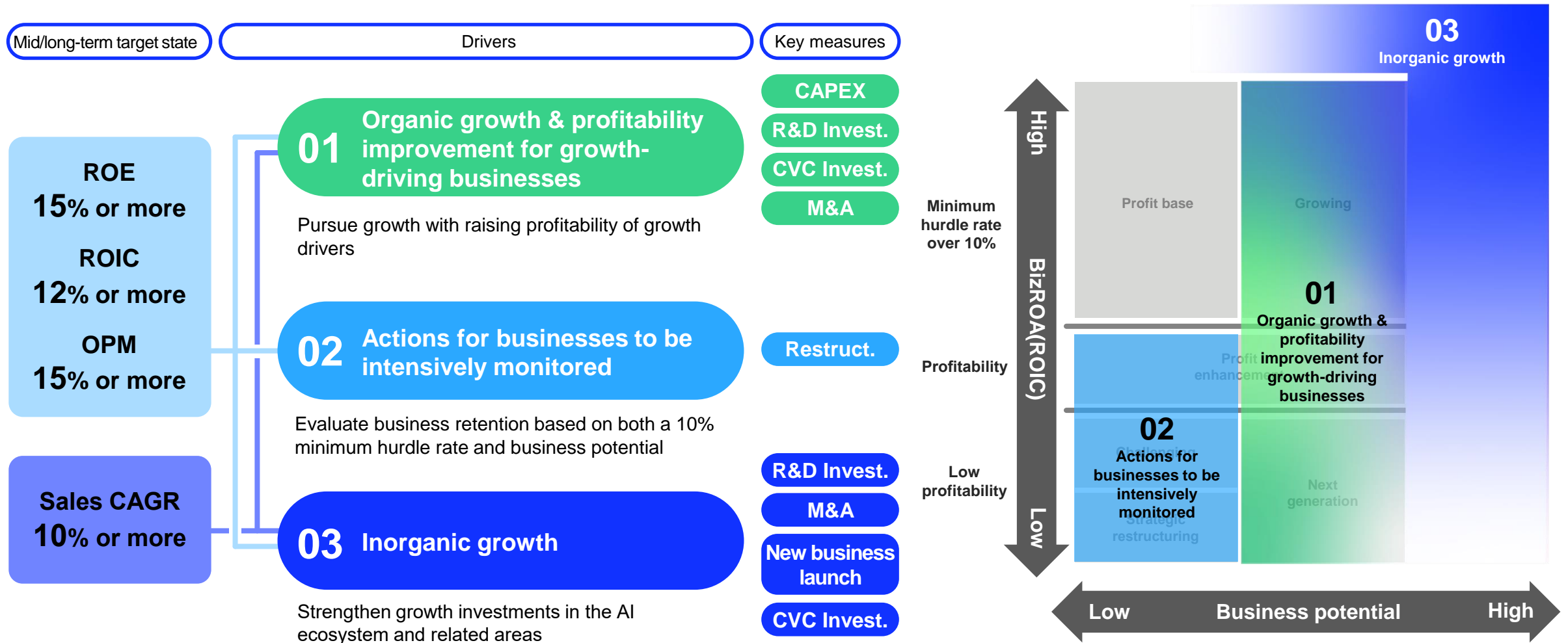
Disclosed number of “business units to be intensively monitored”



\*CBU = Cashflow Business Unit

# Toward realizing our mid- to long-term target state

- We will further advance our business portfolio management by pursuing both organic and inorganic growth.



# TDK constantly contributes to the entire AI ecosystem

Organic growth & profitability  
improvement for growth-  
driving businesses

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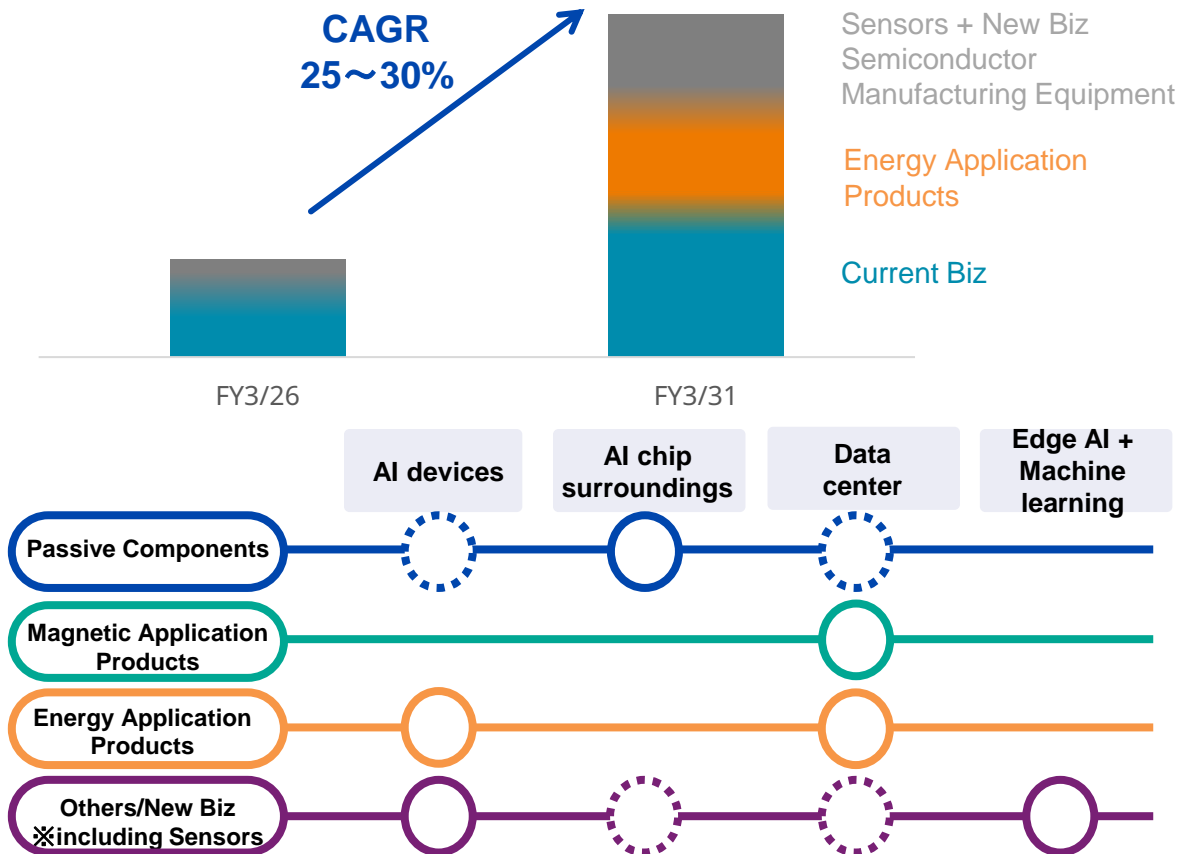


\*: Semiconductor manufacturing equipment

# We will help boost sales for the entire AI ecosystem

- Steadily capture demand for AI data centers, a projected growth market, and peripheral ecosystems
- Transform the business models used for the software business, etc.

## Sales for AI Market(FY3/26 Forecast - FY3/31Target)



\*Note: Solid circles indicate net sales total value in the graph above. The dotted circles indicate businesses that have recorded net sales but that are not included in the graph above.

Products	Major Application and Functionality
Current Biz	<b>Passive Components</b> <ul style="list-style-type: none"> <li>Contribute to semiconductor performance and respond to designs based on higher speeds and redundancy</li> <li>Power unit systems</li> </ul>
	<b>HDD heads and suspensions</b> <ul style="list-style-type: none"> <li>Ensure data reliability, contribute to increased data storage density, and low power consumption</li> </ul>
	<b>Medium capacity batteries</b> <ul style="list-style-type: none"> <li>Secure redundancy for data center electricity</li> <li>Size reductions for Battery Backup Units</li> </ul>
	<b>Semiconductor manufacturing equipment</b> <ul style="list-style-type: none"> <li>Contribute to process innovation in semiconductor manufacturing</li> <li>Strengthen load ports, etc., and enhance materials and manufacturing technology</li> </ul>
<b>Sensors + New Biz</b> <ul style="list-style-type: none"> <li>Provide the extra added value of AI-enhanced sensors</li> <li>Launch software business featuring SensEi, etc.</li> </ul>	

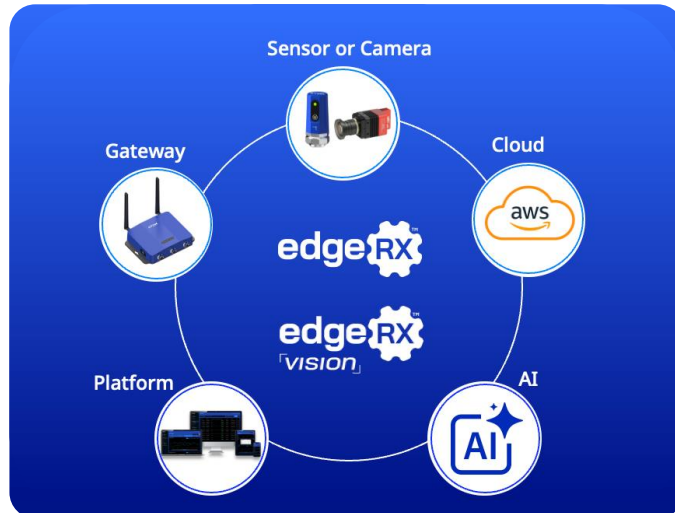


# Growth strategy for SensEI

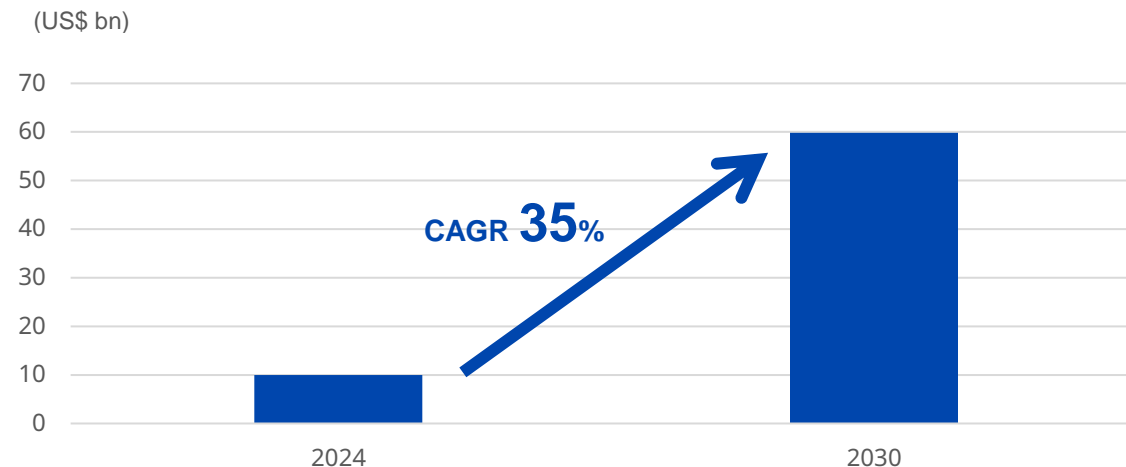
- Integration of AWS\* IoT tools and secure cloud services into TDK SensEI's edgeRX™ platform.
- It will be integrated with key AWS services, and bringing scalable, intelligent machine health monitoring and predictive maintenance to industrial customers globally.

## Business strategy

- Complete Solutions: HW + SW + Edge AI
- Multi-class detection
- AI executed on sensor device
- Multiple sensor types
- Low touch deployment
- TDK manufacturing recognition



## Market size of predictive maintenance



Source: Markets & Markets PdM 2024

## Requirement from market

- Cloud light
- Sensor device with higher intelligence
- Multiple function sensors not only vibration & temperature
- Agility
- Manufacturing capability

\*AWS= Amazon Web Services, Inc.



# Growth strategy for smart glasses business

Organic growth & profitability  
improvement for growth-  
driving businesses

01

- By acquiring SoftEye and establishing AR platform BD, we aim to expand our product lineup and pursue growth.

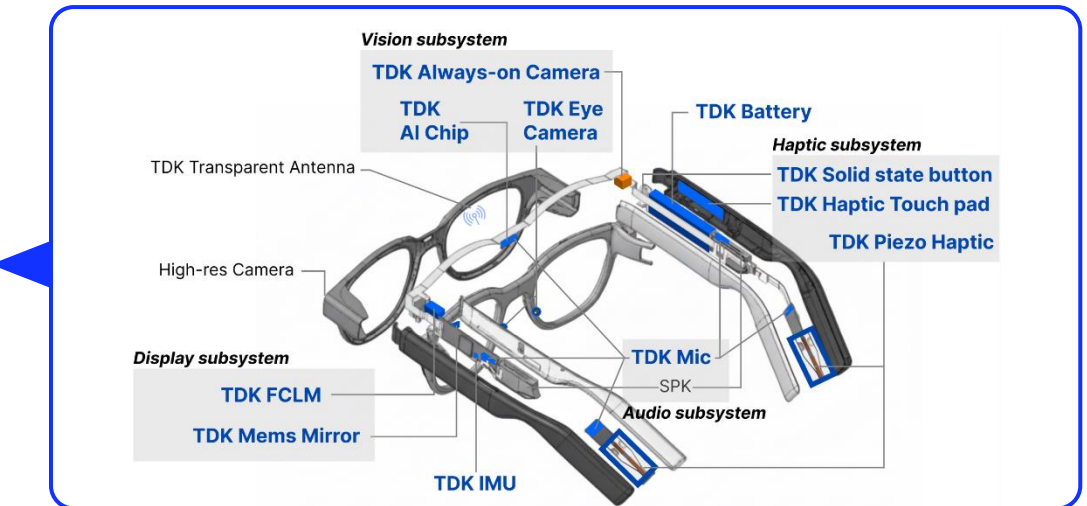
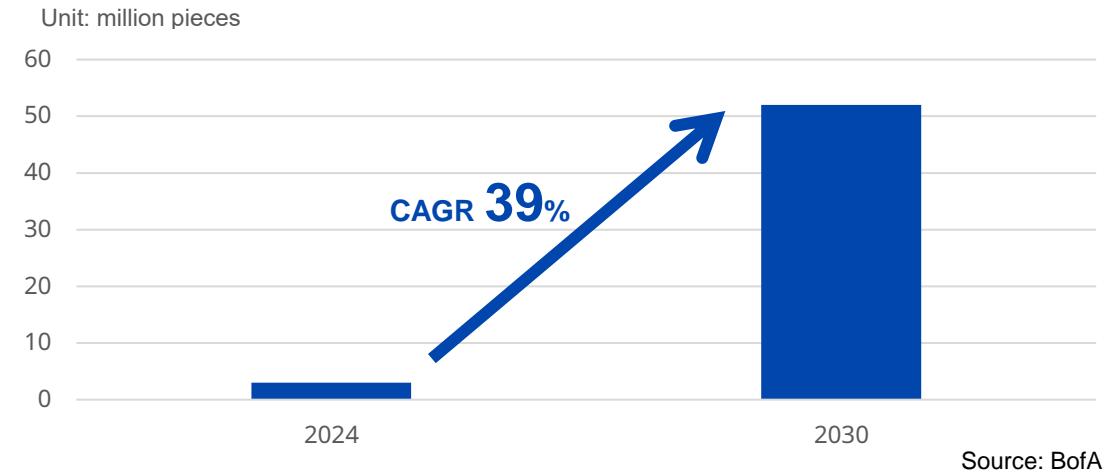
## Business strategy

- TDK addressed eye-intent/tracking solution by acquiring SoftEye technology.
- Establishment of AR Platform BD.
- We combine our custom chips and software with TDK components efficiently. This platforms will showcase AI Glasses user experiences that customers can commercialize and scale effectively.
- FCLM, MEMS mirror, Micro actuator, Battery tech, IMU, Mic are key to an “AR Solution.”
- TDK plans to provide an “AR Engine” with display controller + hub & lite app processing in about two year.

## Requirement from market

- Usability - low power enables all day battery life
- Comfort – smaller battery enables smaller & lighter form factors
- Fashionable – smaller & lighter form factors enable fashionable designs
- Scalable – retinal projection requires no modification to prescription lens

## Market size and growth rate of smart glasses



# Growth strategy for semiconductor manufacturing equipment

Organic growth & profitability  
improvement for growth-  
driving businesses

01

## Business strategy

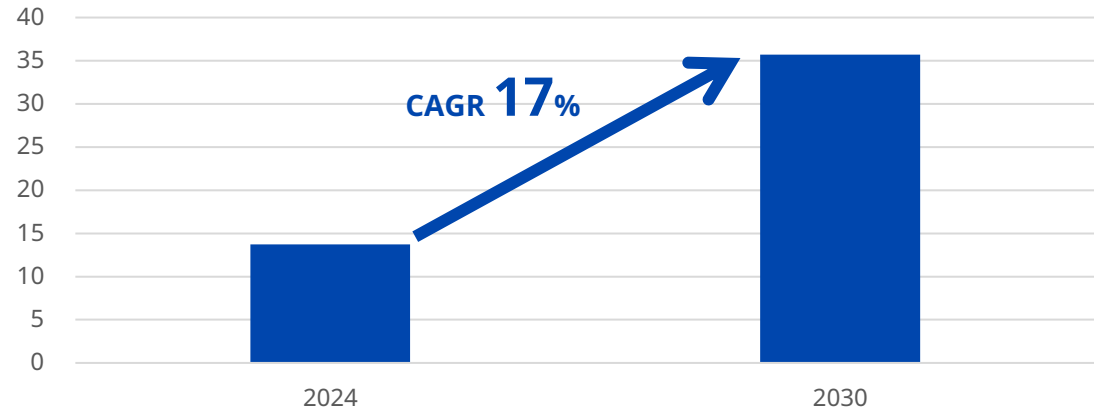
- Contribute to the AI ecosystem by combining materials and equipment technologies
- Combine proprietary bonding materials technology with bonding systems
- Require action on high thermal dissipation products for AI and power ICs
- Focus on high-reliability bonding products for logic ICs and develop the market

## Requirement from market

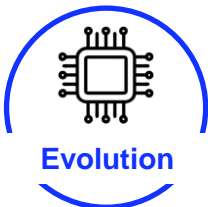
- Alongside front-end miniaturization and thinning, increased density in back-end PKG is critical to semiconductor advancement.
- In back-end PKG, high-precision bonding and high thermal dissipation to reduce power consumption losses are crucial.

## Advanced-packaging market growth rate

(US\$ bn)



Source: Yole Development



Miniaturization  
and thinning

Front-end

•0.25 -90nm

•65 -14nm

• 7nm

• 2nm

• 1nm

High-density PKG

Back-end

•2D

•2.5D/3D PKG⇒Upscaling, composites and micro bonding

TDK's  
Transformation

Customers

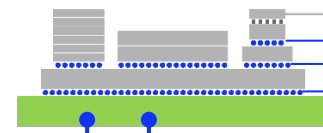
Partners

TDK

Bonding  
system



+



Bonding  
materials

Logic ICs  
(Reliability)

Power ICs  
(Thermal dissipation)

Bonding  
materials

•Solder materials  
(30 W/mK)

•Ag sinter materials  
(100 W/mK)

•Cu sinter  
(100 W/mK)

High reliability & low cost  
(under development)

High thermal dissipation & low cost  
(under development)

Past

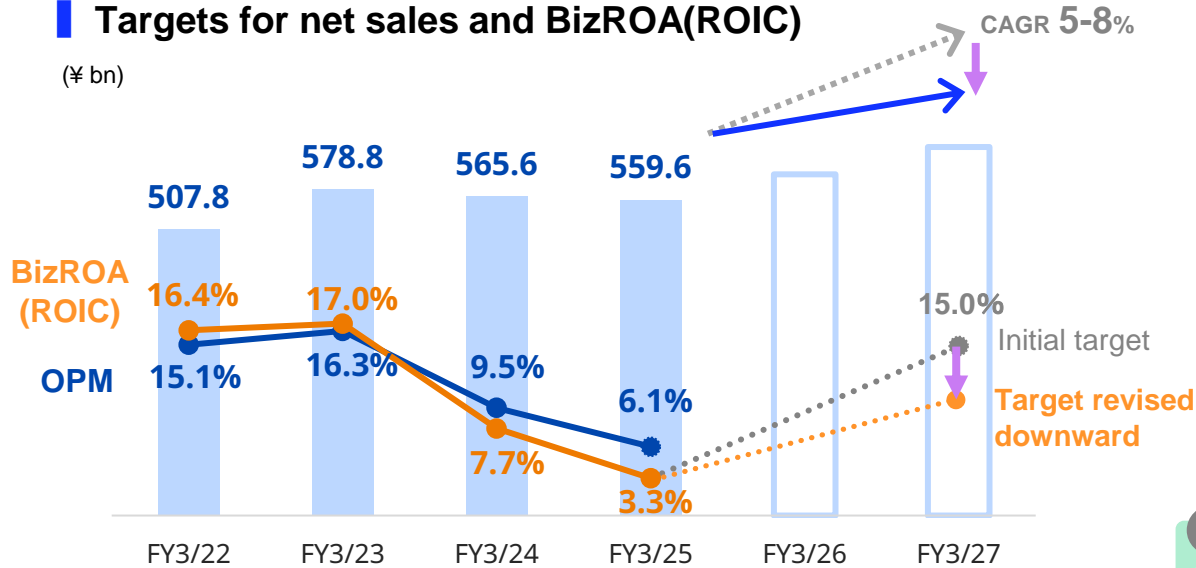
Present

Future

# Passive Components

## Targets for net sales and BizROA(ROIC)

(¥ bn)



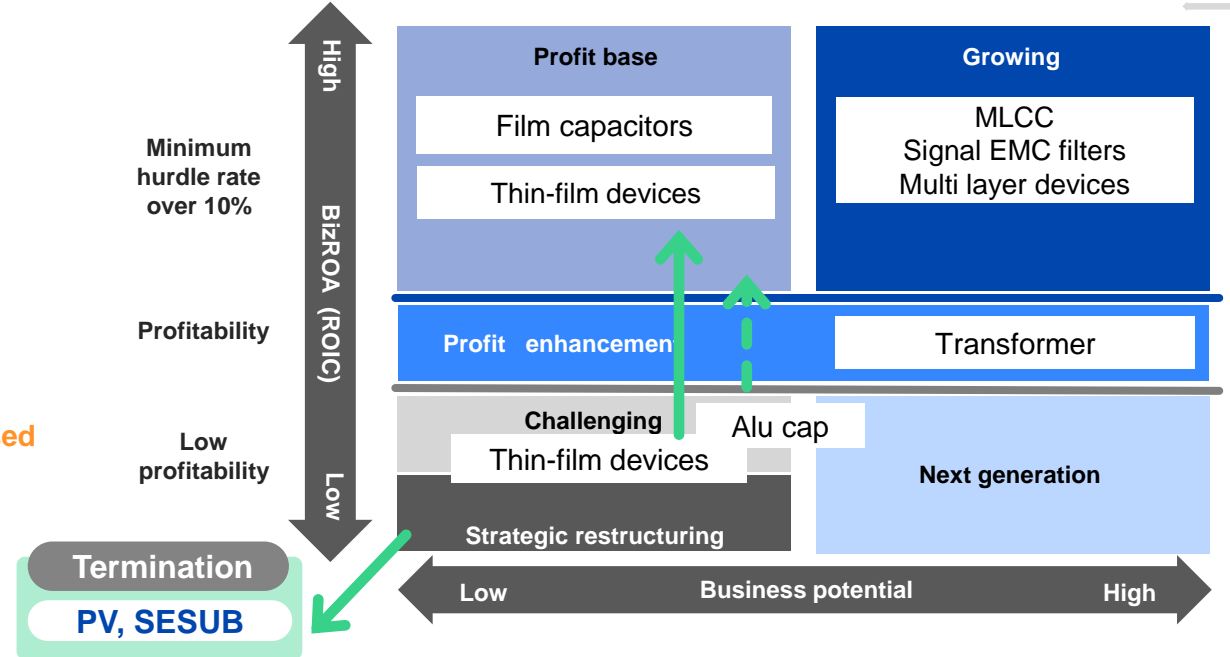
## Reasons for lowering of mid- to long-term ROIC targets

- 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

## Business portfolio map



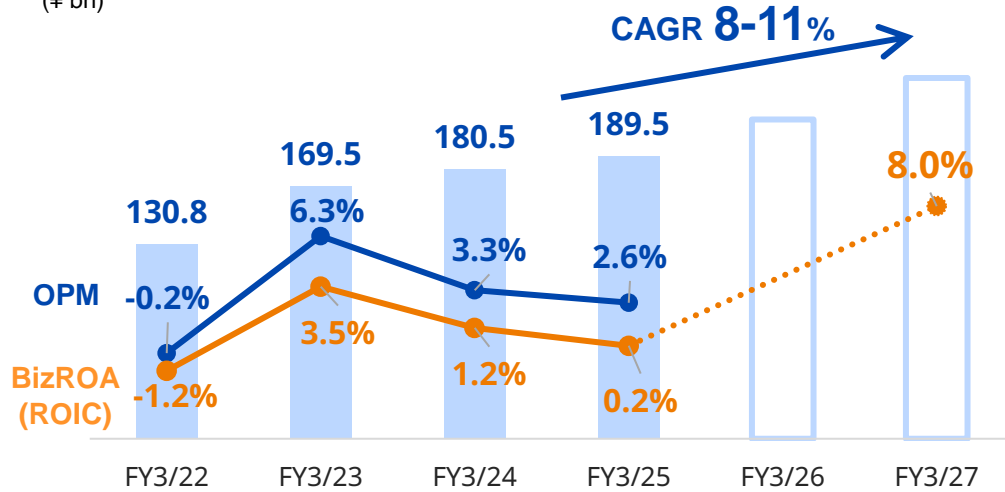
## Potential for mid- to long-term growth

- 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

# Sensor Application Product

## Targets for net sales and BizROA(ROIC)

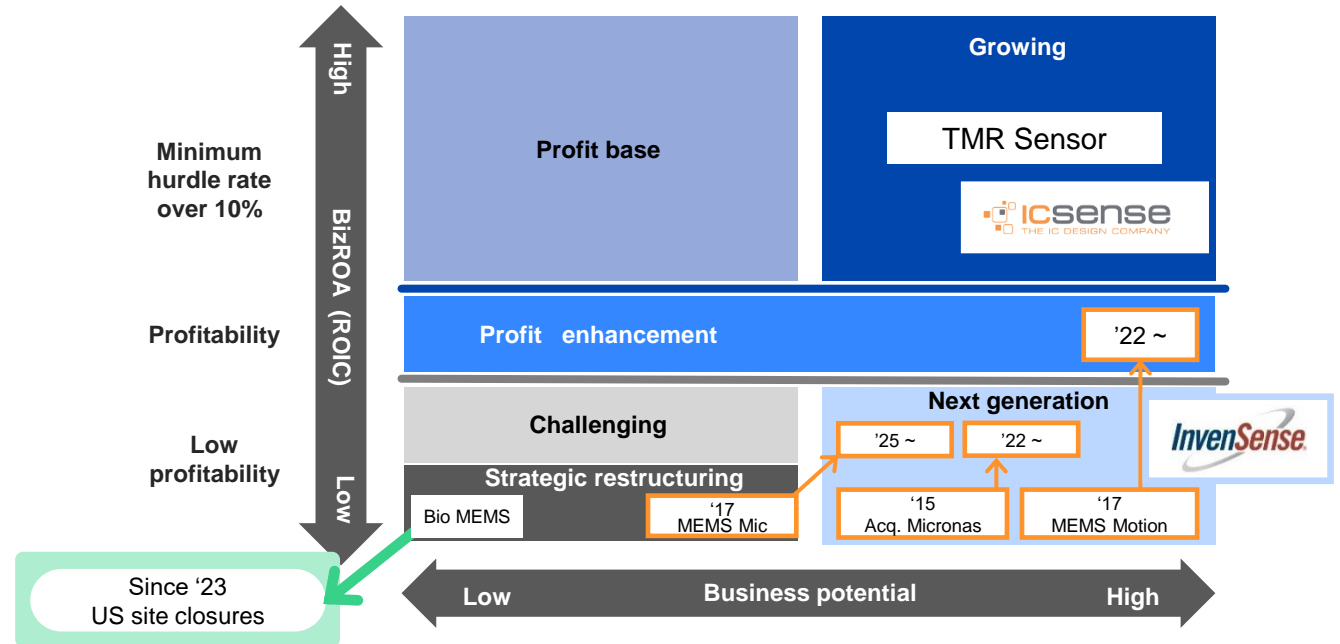
(¥ bn)



## Strategy progress

- Transformation for a market-driven operation model
- Grow new products through market-in and concept-out approaches
- Secure production capacity and expand sales of TMR sensors
- Launch new products for MEMS microphones
- Improve profitability of the MEMS sensor business
- Strengthen partnerships with tech leaders

## Business portfolio map



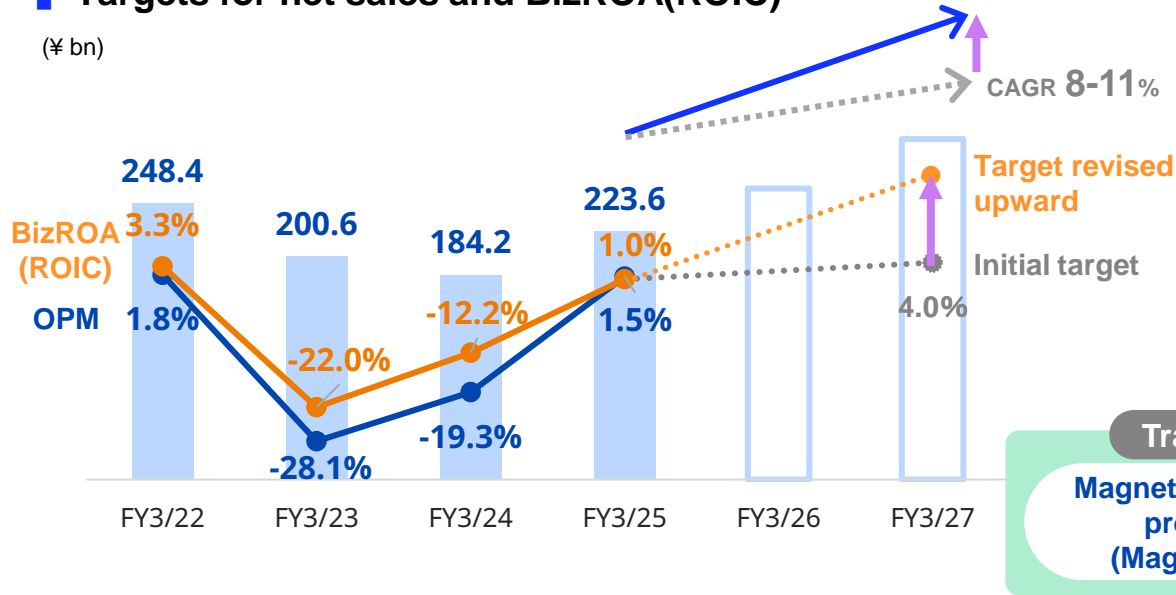
## Potential for mid- to long-term growth

- Expand applications for TMR sensors
- Develop products integrating MEMS and magnetic sensors
- Deploy sensors in cutting-edge devices such as smart glasses
- Grow TDK sensors in xEV and AI ecosystem markets
- Strengthen collaboration with TDK Ventures to expand partnerships with game changers

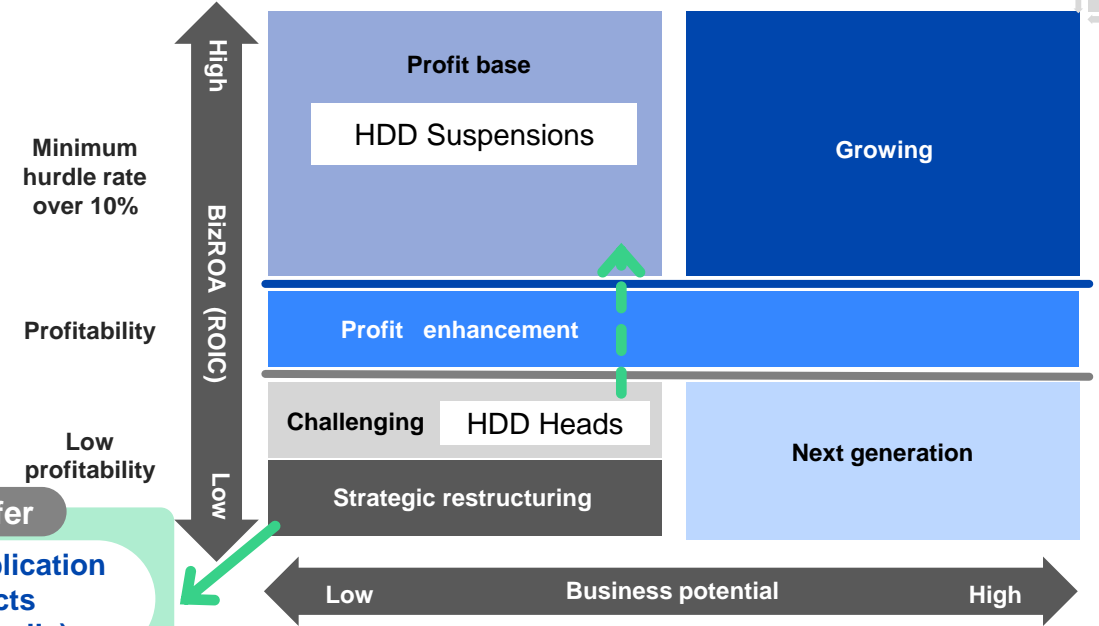
# Magnetic Application Products

## Targets for net sales and BizROA(ROIC)

(¥ bn)



## Business portfolio map



## Strategy progress

- Improve profitability through optimization of manufacturing sites
- Increase market share for Tri-SA suspensions
- Transition HDD suspensions to a high-profit business
- Secure position as an independent head maker
- Expand high-value products such as MAMR\*1
- Strengthen business portfolio management in the magnet business

## Potential for mid- to long-term growth

- Expand the customer base for existing products and next-generation technologies
- Optimize investment decisions driven by continued growth in large-capacity storage demand
- Accelerate HAMR\*2 development and market launch

\*1: Microwave-Assisted Magnetic Recording

\*2: Heat-Assisted Magnetic Recording

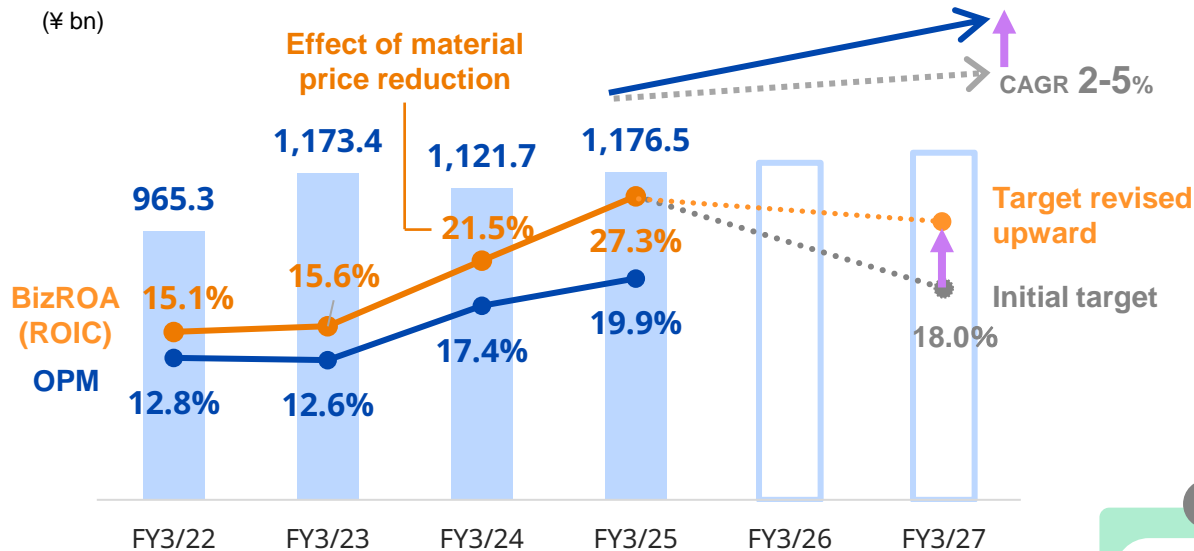
# Energy Application Products

Organic growth & profitability improvement for growth-driving businesses

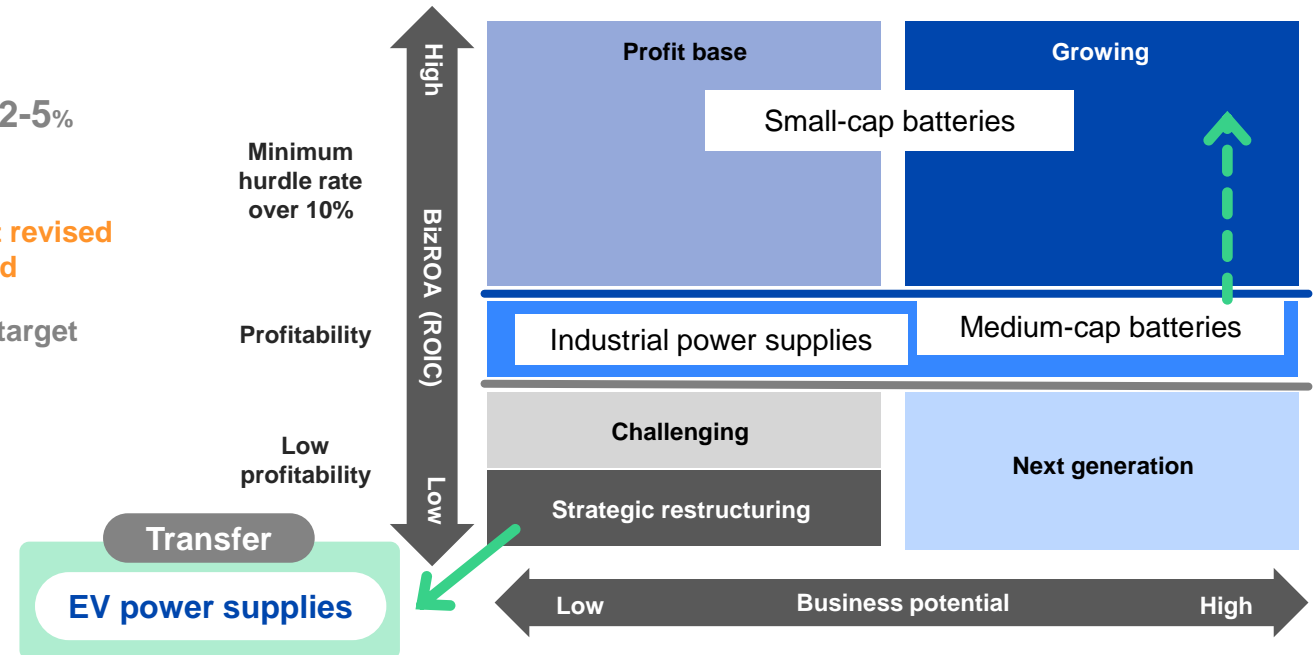
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## Targets for net sales and BizROA(ROIC)

(¥ bn)



## Business portfolio map



## Strategy progress

- Timely market launch of innovative new products
- Sustain profitability through high-value products and production efficiency improvements
- Expand applications for wearable devices
- Establish India manufacturing sites
- Stabilize profits in the medium capacity battery business and expand the product line-up

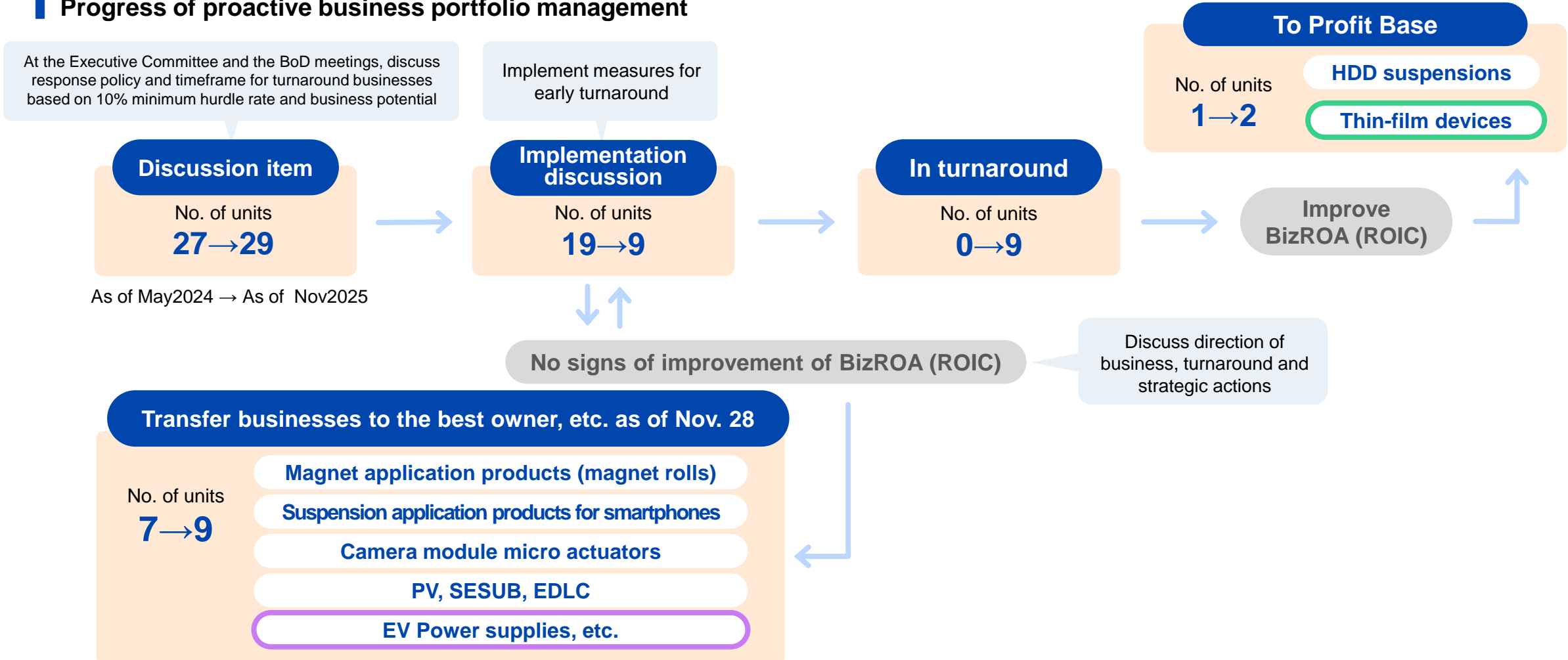
## Potential for mid- to long-term growth

- Sustain and expand competitive advantage through continuous cutting-edge technology R&D
- Respond to demand for high-performance batteries driven by AI device market expansion
- Increase the product line-up of high-output power cells
- Expand the medium capacity battery business for data centers
- Expand the industrial power supplies business for data center infrastructure

# Improving profitability of businesses to be intensively monitored

- At Investor Day 2024, announced 27 CBUs selected for businesses to be intensively monitored; added 2 later (total 29).
- 2 CBUs moved to Profit Base; 9 were divested/transferred; 9 are in turnaround; and 9 are under discussion for implementation.

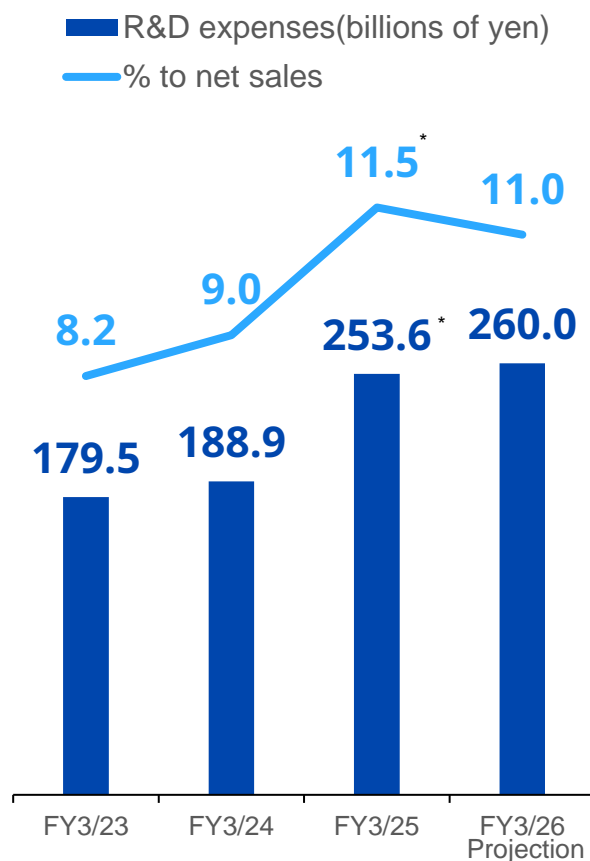
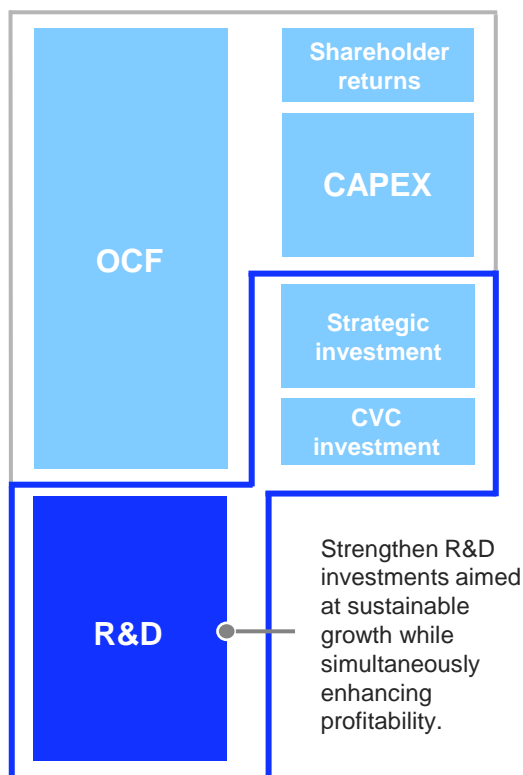
## Progress of proactive business portfolio management



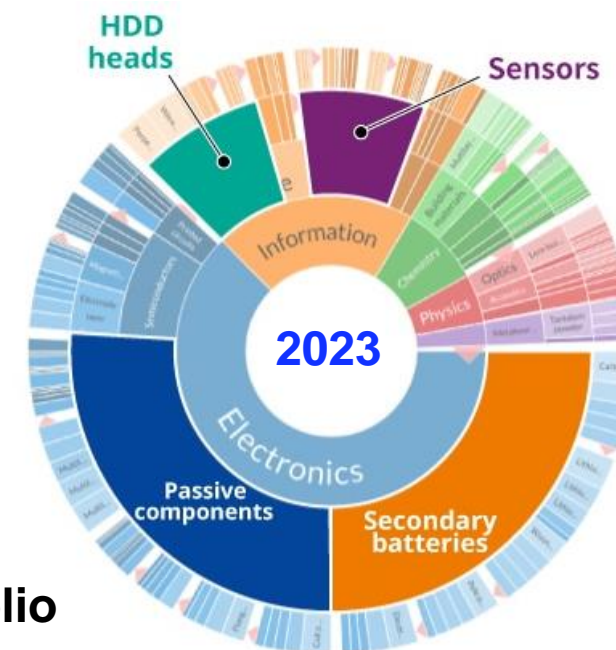


# We are strengthening R&D investments in growth areas centered on AI.

- Focusing on the development of technologies and devices that respond to the evolution and spread of AI, as well as the creation of new products and businesses utilizing AI.



\*In FY3/25, due to revision of the classification of SG&A expenses, an increase of approximately ¥30.0 billion compared to the previous fiscal year is included.



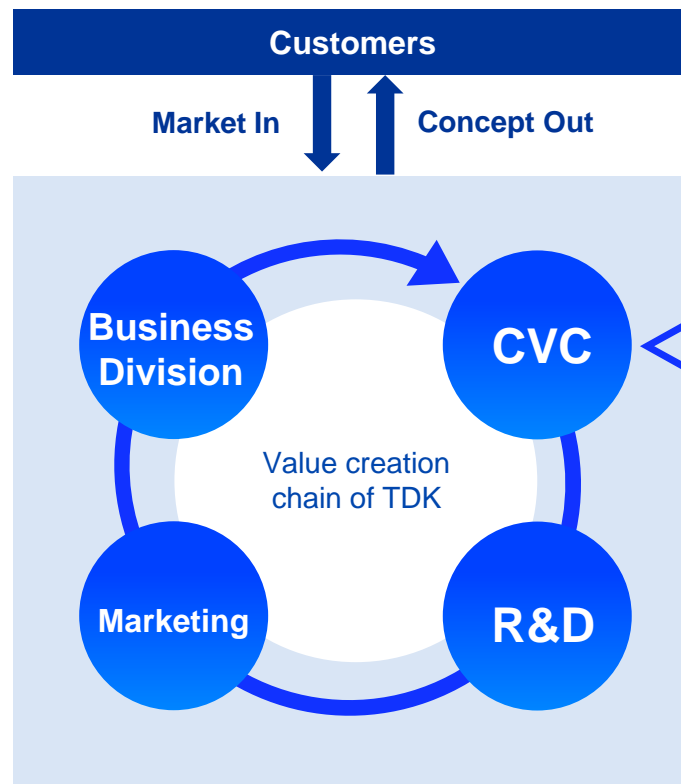
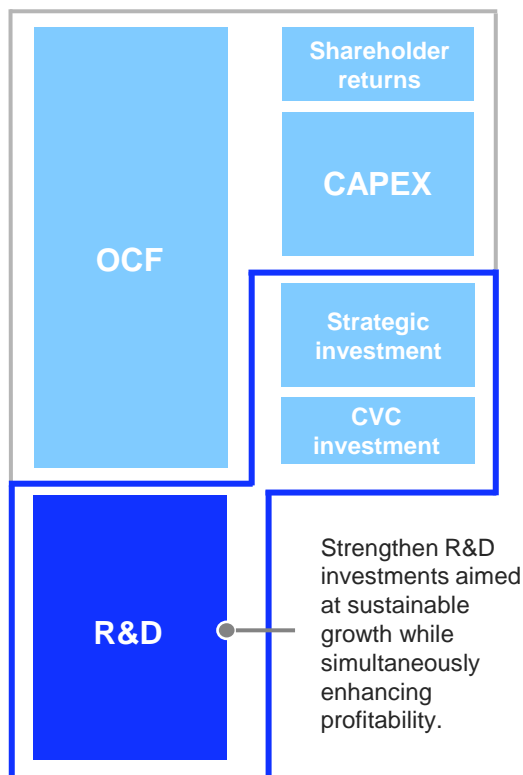
## IP Portfolio

### Development products with a focus on long-term growth

- Full-color laser module
- Neuromorphic devices
- Spin photo detectors
- Thin film lithium niobate devices
- Reservoir computing
- Solid-state batteries

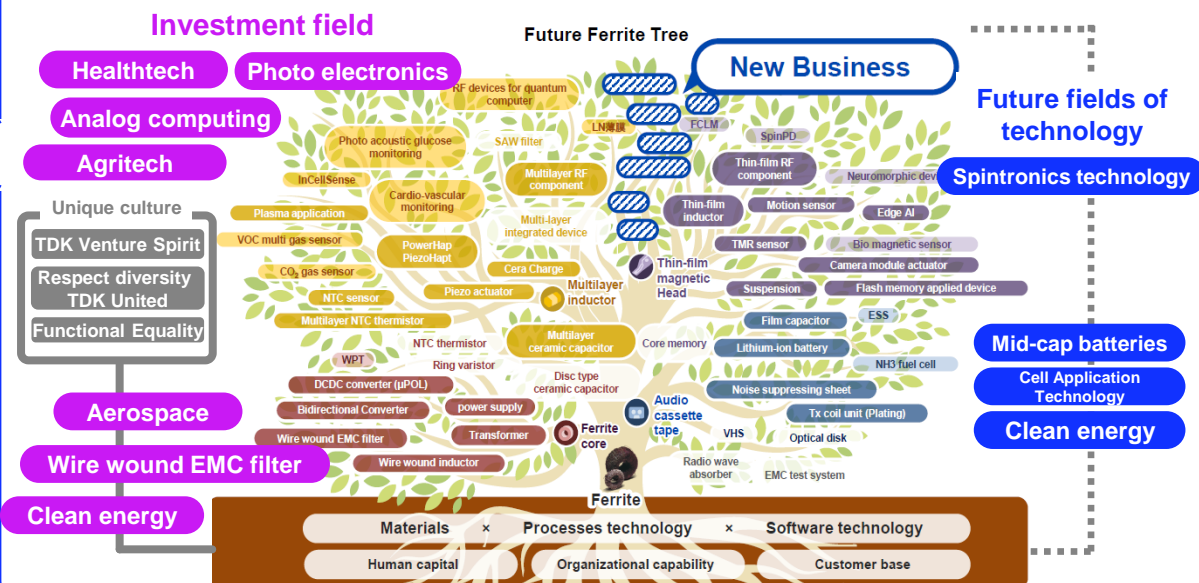


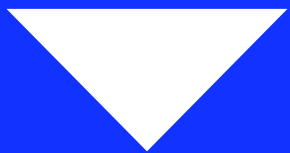
# Long-term technology strategy: We are strengthening R&D investment in growth areas.



## Cross-organizational technology and product development

With a market-in and concept-out approach, we integrate across TDK's value creation chain.





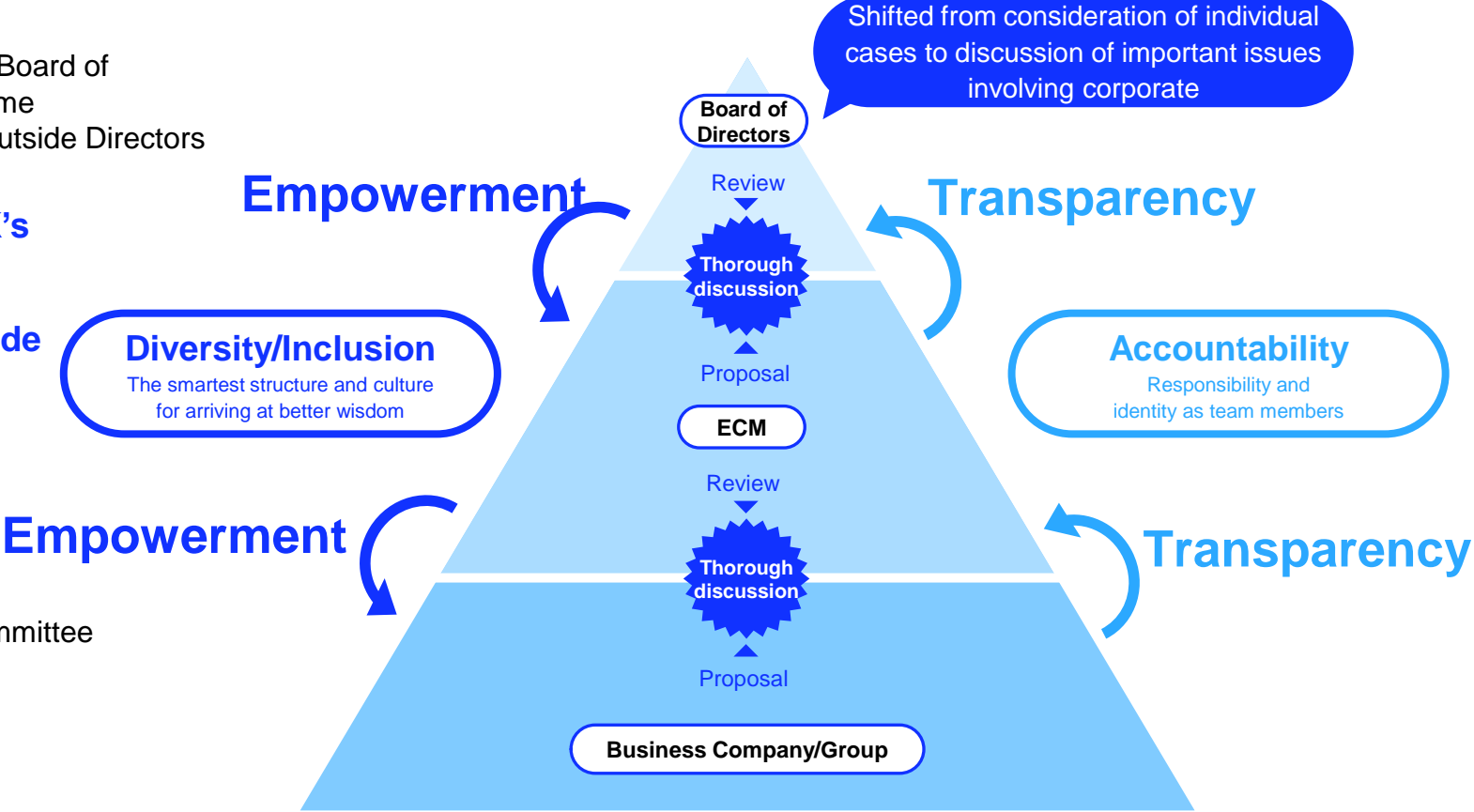
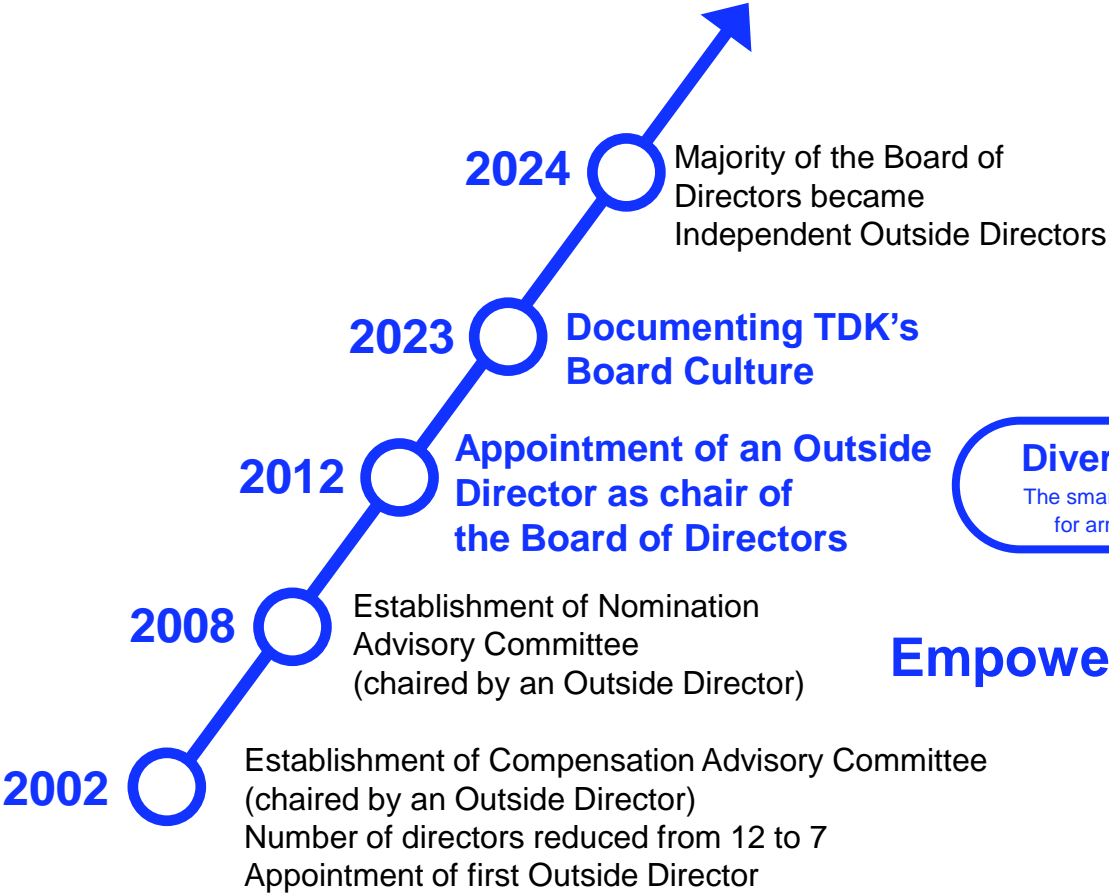
## 2. Evolving TDK's Governance

# Evolution of Corporate Governance

Actively transforming corporate governance

Rapid and efficient decision-making through delegation of authority

Roles and authorities of the Board of Directors, ECM, and BCs/BGs



# TDK's Board Culture

## Board Culture

- The culture shared by inside and outside Directors, Audit & Supervisory Board Members and the executive side in the pursuit of enhancing corporate value.
- Relationship of deep mutual trust and a sound tension.
- Empowerment & Transparency
- Based on the premise that discussions at the Board of Directors meetings should be essential discussions that contribute to corporate value, Board members actively and diversely make remarks and engage in discussions from each member's standpoint and from a broad point of view.

Prioritize essential discussions that contribute to enhancing corporate value.

Discussion from a company-wide perspective, rather than reporting by individual functions.

Prioritize time for discussion and questions over reports.

Board members consisting of Directors and Audit & Supervisory Board Members and the executive side such as Corporate Officers, based on their respective responsibilities, endeavor toward the common purpose of achieving sustainable corporate growth and enhancing the medium- to long-term corporate value of the TDK Group. The philosophy and culture shared by the Board of Directors to achieve this purpose are as follows.

- Board members and the executive side build and maintain a relationship of deep mutual trust and a sound tension.
- Board members and the executive side achieve both the delegation of authority to encourage prompt and autonomous decision-making and the transparency in business execution (Empowerment & Transparency).
- Based on the premise that discussions at the Board of Directors meetings should be essential discussions that contribute to corporate value, Board members actively and diversely make remarks and engage in discussions from each member's standpoint and from a broad point of view, regardless of whether they are inside or outside members or whether they are Directors or Audit & Supervisory Board Members.
- The executive side takes the opinions of the Board of Directors sincerely as an opportunity to improve management and implements necessary measures. Directors and Audit & Supervisory Board Members supervise and audit from an objective standpoint. Through these efforts, they aim to further improve the TDK Group's corporate value.

From "TDK Basic Policy on Corporate Governance"

# Evolving the Board of Directors

We set key themes and engage in active discussions to achieve TDK's sustainable growth and enhance its medium- to long-term corporate value.

## ■ Key themes of the Board of Directors

### 1. Long-term growth strategy

1-1 Company-wide issues	Discussions aimed at achievement of the company-wide long-term Plan, business portfolio strategy, etc.
1-2 Financial strategy	Capital policy, etc.
1-3 Pre-financial strategy	Key issues (materiality,) sustainability, human resource, stakeholder engagement, etc.
1-4 Business strategy	Business plan progress and growth strategy

### 2. Risk management

ERM activities (geopolitical risk, procurement risk, climate change risk, etc.)

### 3. Technology development strategy

Capability to envision the future and capability to execute (R&D, CVC, marketing, IP, production technology, quality assurance, DX)

## ■ Initiatives to promote discussions in the Board of Directors

- In the annual evaluation of the effectiveness of the Board of Directors, themes to be prioritized for discussion in the following year's board meetings are set and reflected in the annual agenda.
- Off-site meetings conducted by board members.
- Quarterly meetings held for Outside Directors and Outside Audit & Supervisory Board members.
- Quarterly, discussions are held on capital policy and other matters, based on investor feedback from the IR department.

# Directors who contribute to enhancing corporate value

## Board of Directors Composition

### Inside Directors



**Noboru Saito**

Representative Director



**Tetsuji Yamanishi**

Representative Director



**Shuichi Hashiyama**

Director

### Outside Directors



**Mutsuo Iwai**

Chair of the Board



**Kozue Nakayama**

Chair of Nomination  
Advisory Committee



**Shoei Yamana**

Chair of Compensation  
Advisory Committee



**Toru Katsumoto**

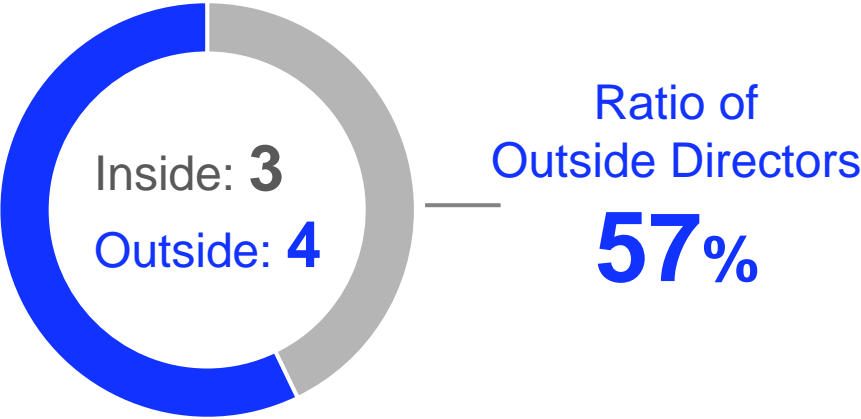
Having an abundance of experience and knowledge as a head of the technology division, CTO, and manager of a company that operates globally in the game, music and movie, consumer electronics equipment and other businesses.

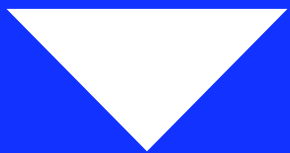
Having an abundance of experience and knowledge as a manager of a company that operates globally in the tobacco, pharmaceutical, food and other businesses.

Having an abundance of experience and knowledge concerning global business related to the automotive industry as well as knowledge and insight into corporate management.

Having an abundance of experience and knowledge as a manager of a company that operates globally in the MFPs, digital printing systems, healthcare and other businesses.

Reasons for Nomination





# 3. Dialogue with Outside Directors

# Dialogue with Outside Directors; Today's Speaker



**Mutsuo Iwai**



**Kozue Nakayama**



**Shoei Yamana**



**Toru Katsumoto**

## Main role

Chair of the Board

Chair of Nomination  
Advisory Committee

Chair of Compensation  
Advisory Committee

## Date of appointment

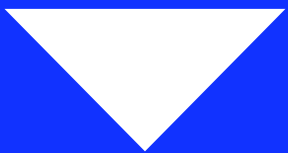
June 2021

June 2020

June 2022

June 2024

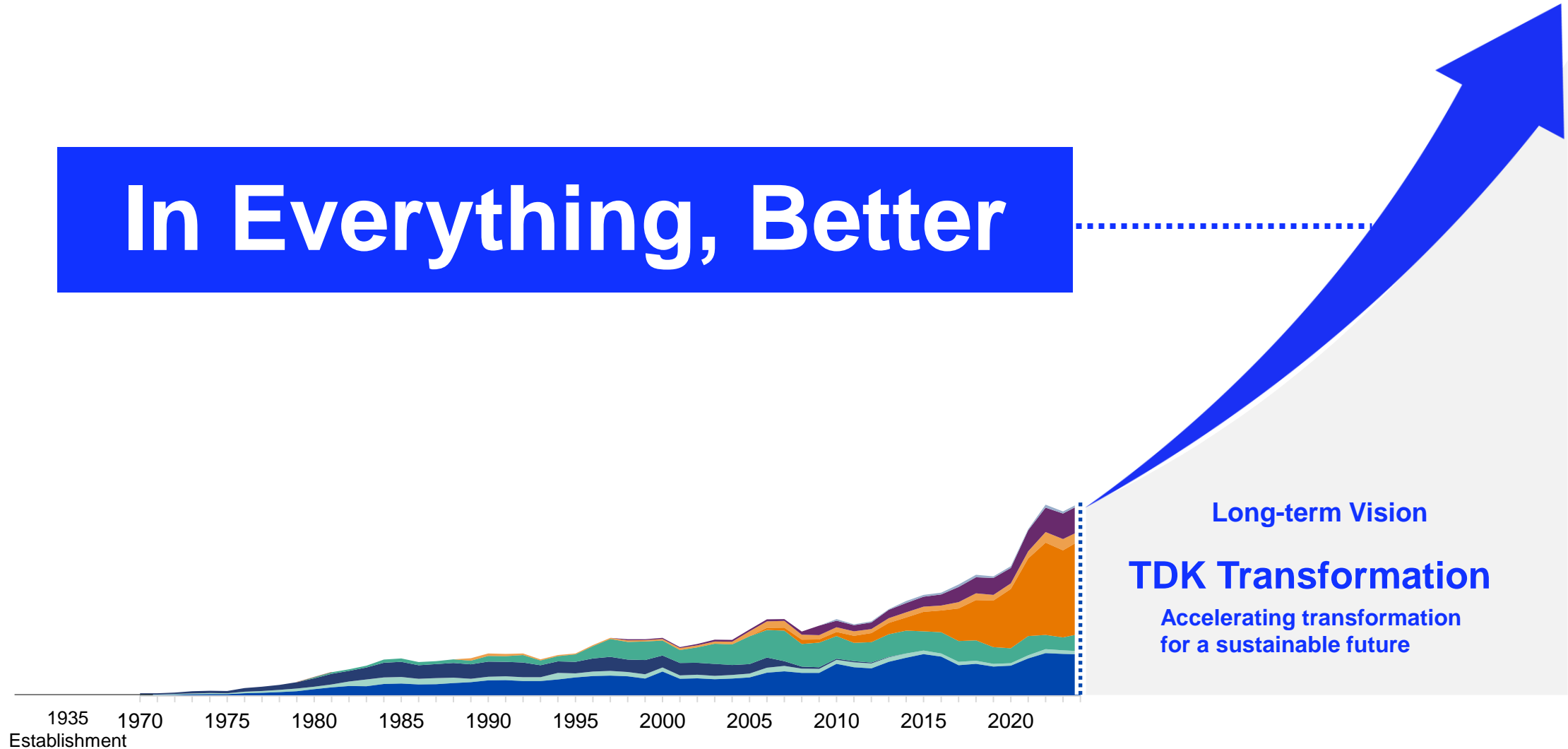




# Closing Remarks

**We will realize our Long-term Vision through growth strategy and evolving our governance.**

**In Everything, Better**



# Cautionary statements with respect to forward-looking statements

This material contains forward-looking statements, including projections, plans, policies, management strategies, targets, schedules, understandings, and evaluations about TDK, or its group companies (TDK Group). These forward-looking statements are based on the current forecasts, estimates, assumptions, plans, beliefs, and evaluations of the TDK Group in light of the information currently available to it, and contain known and unknown risks, uncertainties, and other factors. The TDK Group therefore wishes to caution readers that, being subject to risks, uncertainties, and other factors, the TDK Group's actual results, performance, achievements, or financial position could be materially different from any future results, performance, achievements, or financial position expressed or implied by these forward-looking statements, and the TDK Group undertakes no obligation to publicly update or revise any forward-looking statements after the issue of this material except as provided for in laws and ordinances.

The electronics markets in which the TDK Group operates are highly susceptible to rapid changes, risks, uncertainties, and other factors that can have significant effects on the TDK Group including, but not limited to, shifts in technology, fluctuations in demand, prices, interest and foreign exchange rates, and changes in economic environments, conditions of competition, laws and regulations. Also, since the purpose of these materials is only to give readers a general outline of business performance, many numerical values are shown in units of a billion ¥. Because original values, which are managed in units of a million ¥, are rounded off, the totals, differences, etc. shown in these materials may appear inaccurate. If detailed figures are necessary, please refer to our financial statements and supplementary materials.

