



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**
- Appendix**



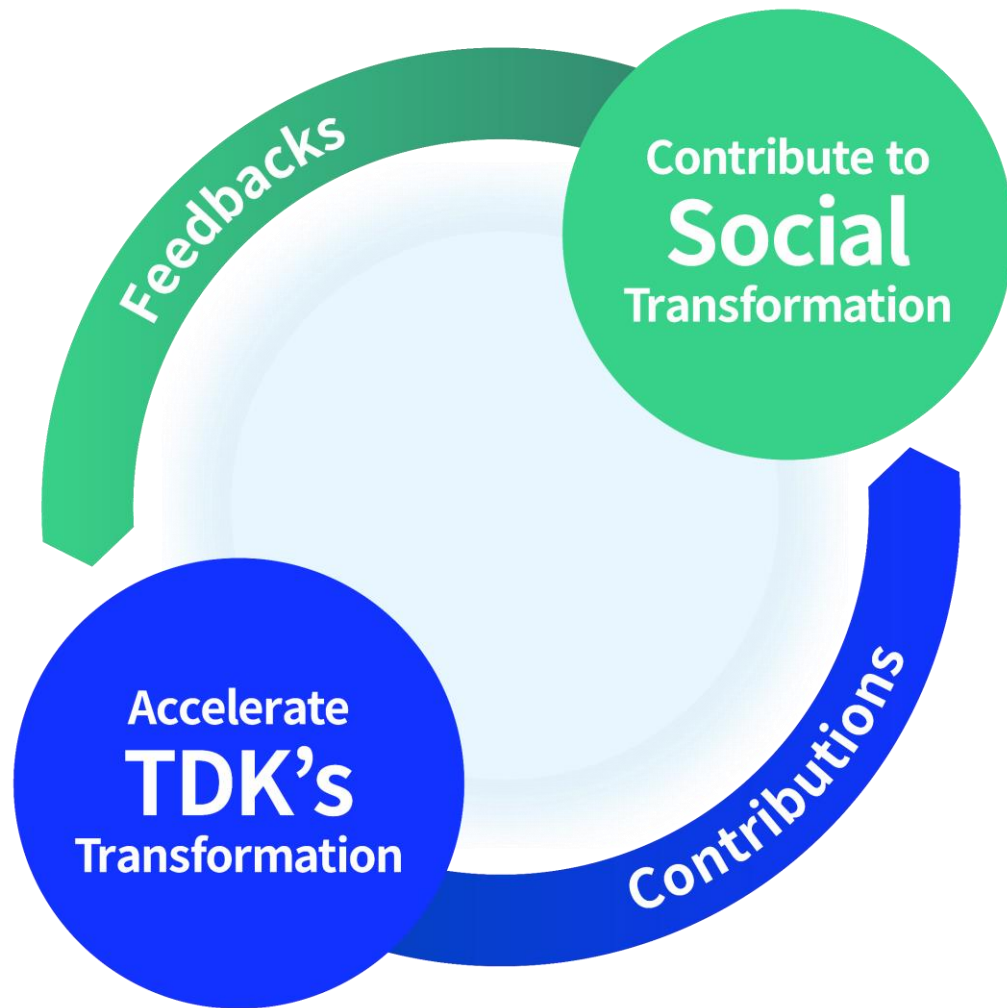
1. Long-term Vision and Medium-term Plan Update

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)

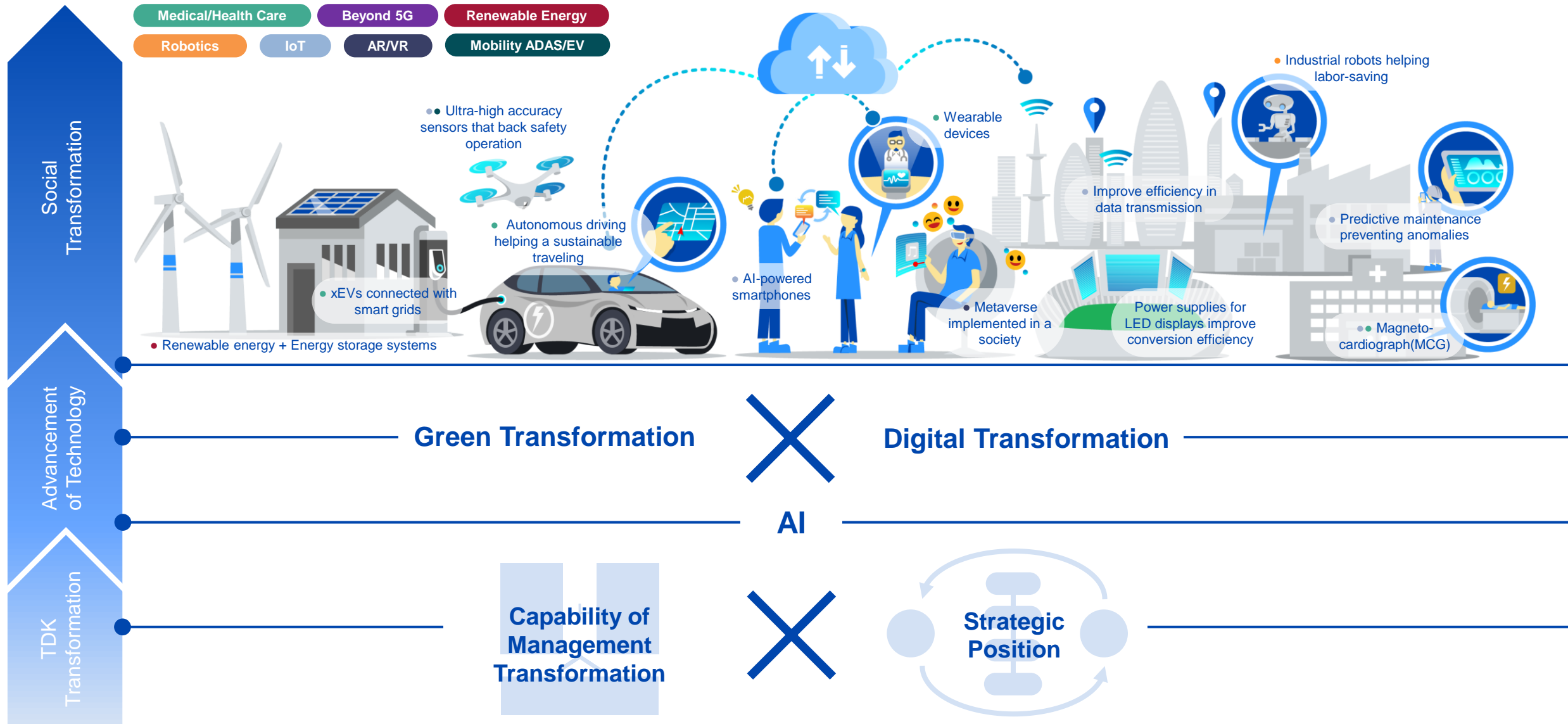


Long-term Vision

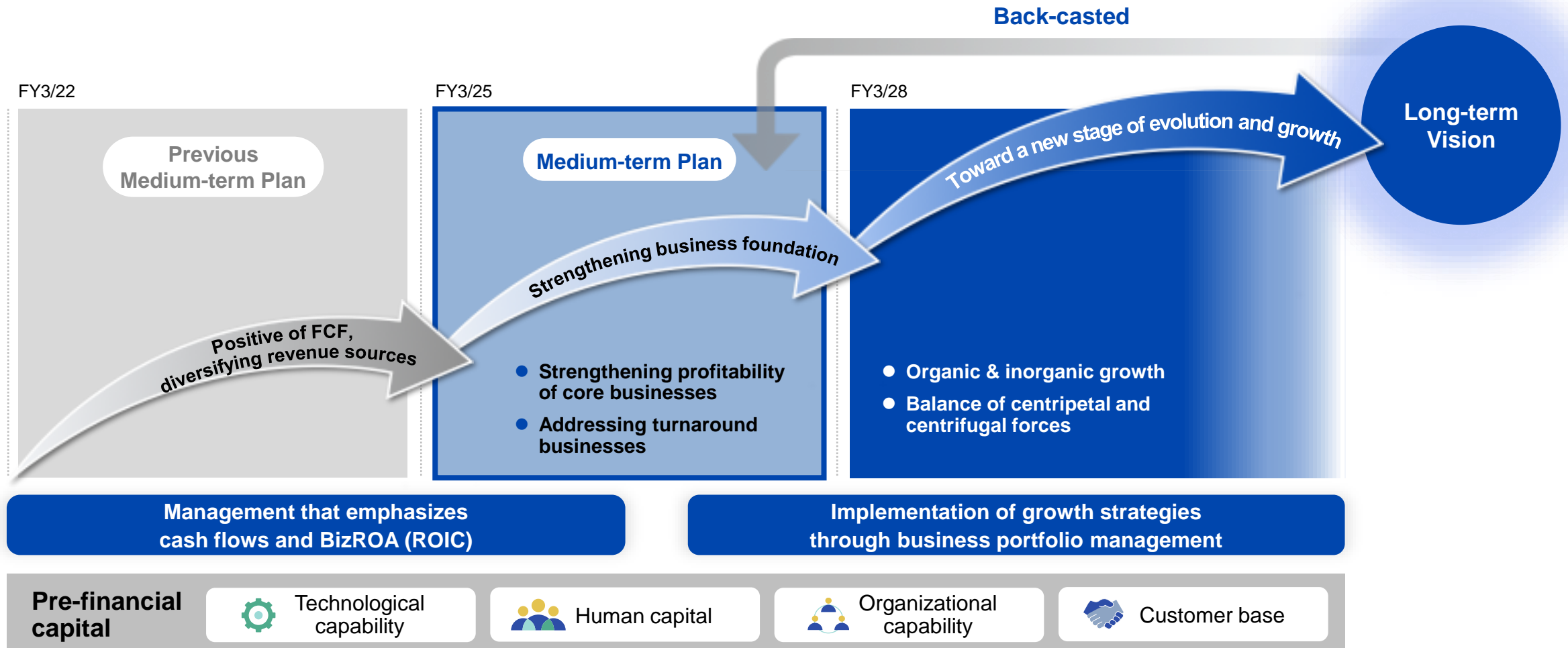
TDK Transformation

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 Actual	FY3/26 Projection	FY3/27 Target	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)
	ROE	9.5%	9.7%	10% or more	15% or more
	Efficiency				
	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 ₂ emission reductions* ¹ (vs. FY3/22)	47.7%	-	23.3%	42.0%
Exchange rate assumptions		¥153/US\$	¥146/US\$	¥135/US\$	¥135/US\$

*Note1: CO₂ emission reductions = Targets of SBTi Scope1+2 CO₂ emission reductions, whose figures in FY3/24 are approximate.

*Note2: Results of 2025 TME survey

Medium-term Plan: Key points

Corporate value

=

Maximize FCF generation

↑

Cost of capital (WACC)

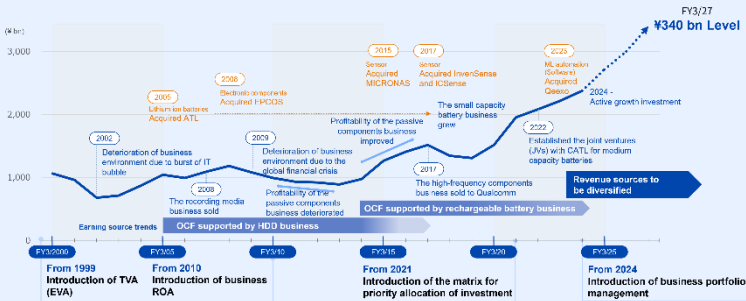
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Expected growth rate

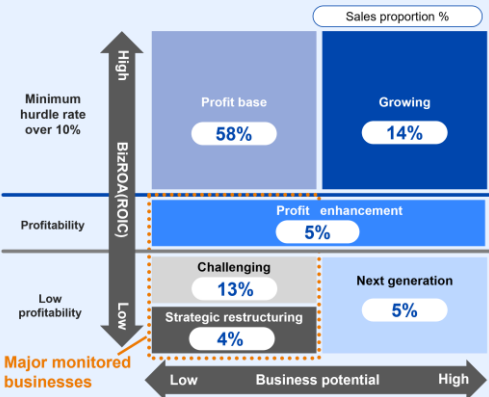
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Key points

1 Strengthen management focusing on cash flows



2 Enhance business portfolio Management (Emphasizing ROIC)

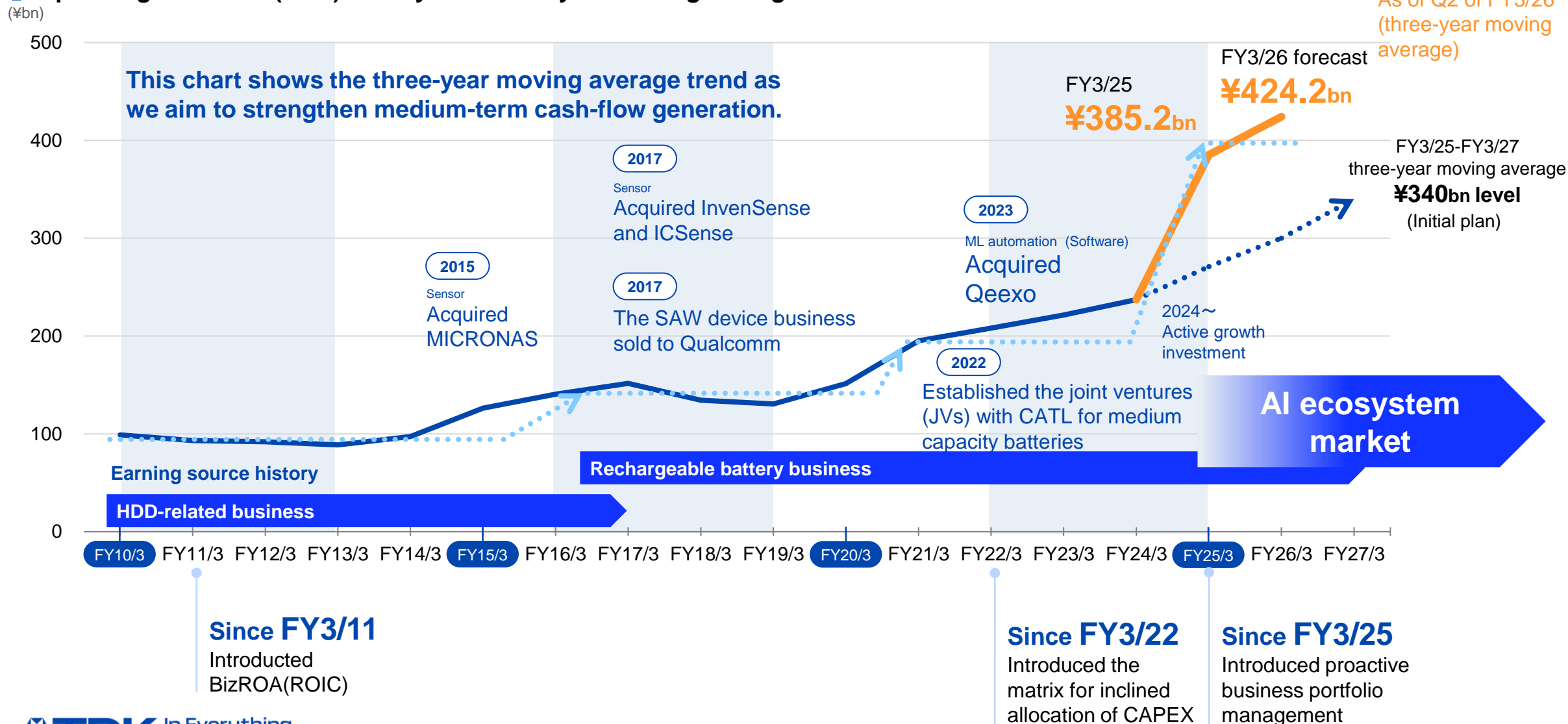


3 Evolve the Ferrite Tree (Pre-financial capital)



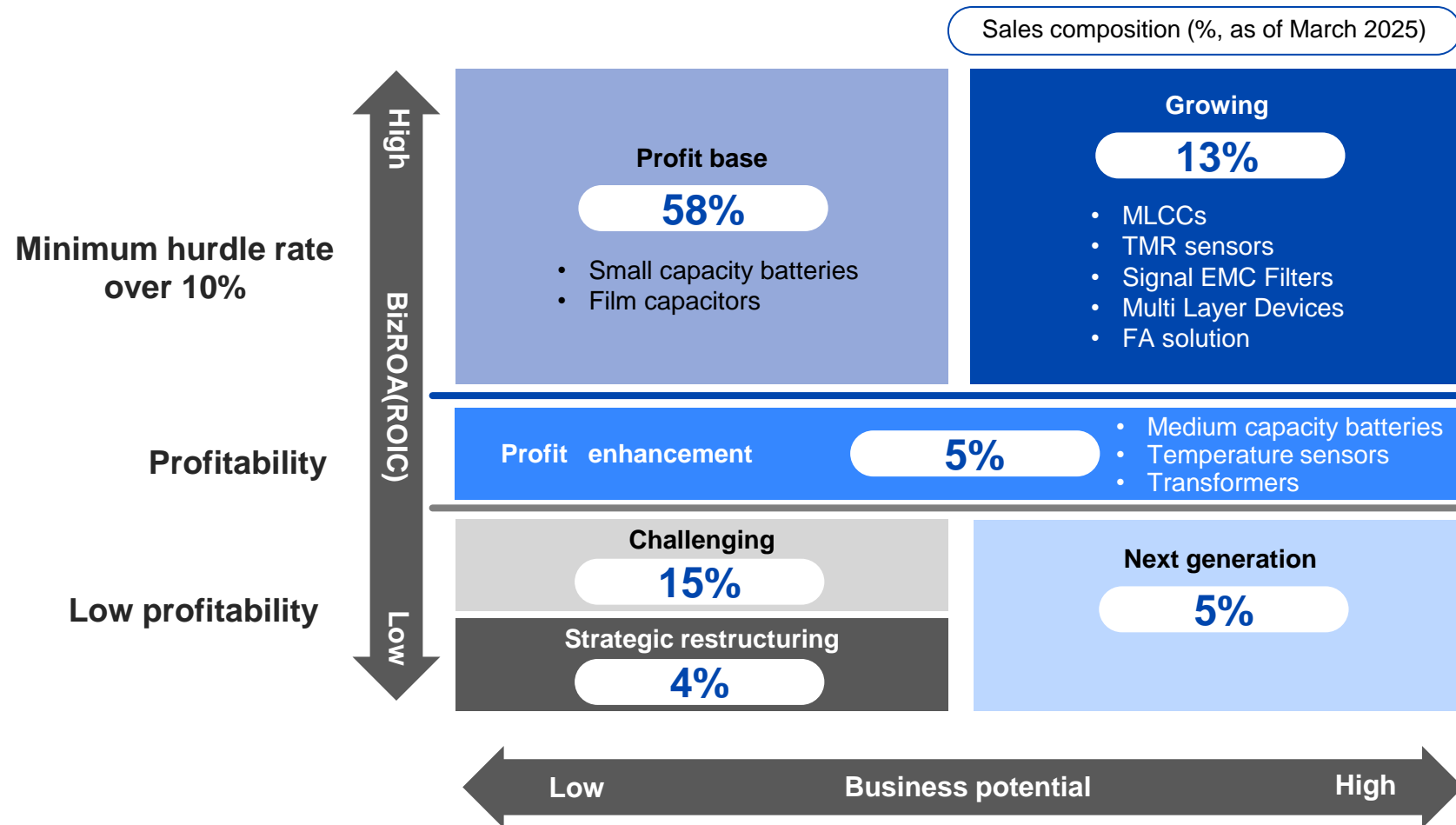
Improved our earning capability by replacing our business portfolio

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



Advancing proactive business portfolio management

Business portfolio map



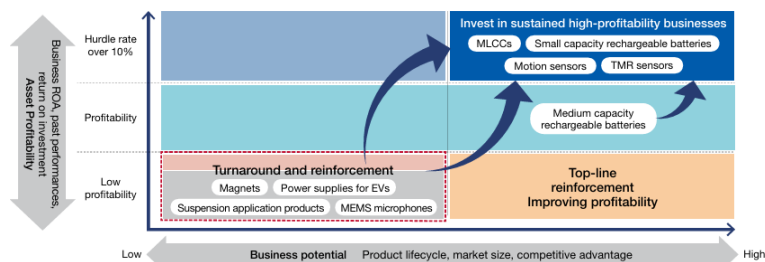
- BizROA = Business OP after tax and before distribution of corporate expenses divided by business assets.
- The 10% minimum hurdle rate is calculated, considering the 7% corporate WACC and corporate expenses.

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

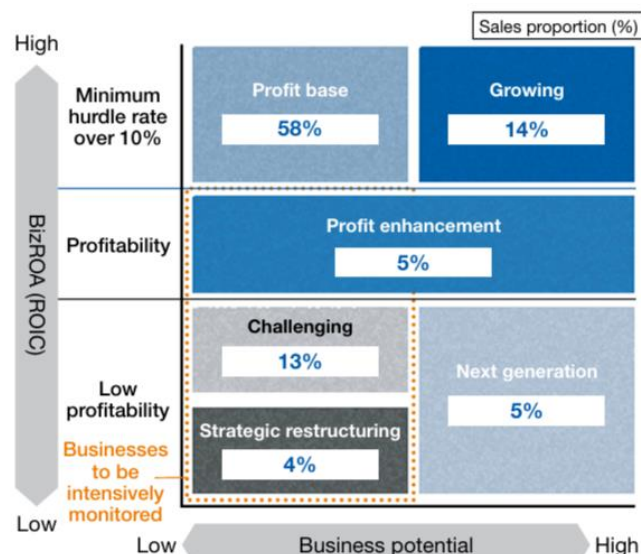


2023

Disclosed CBU names

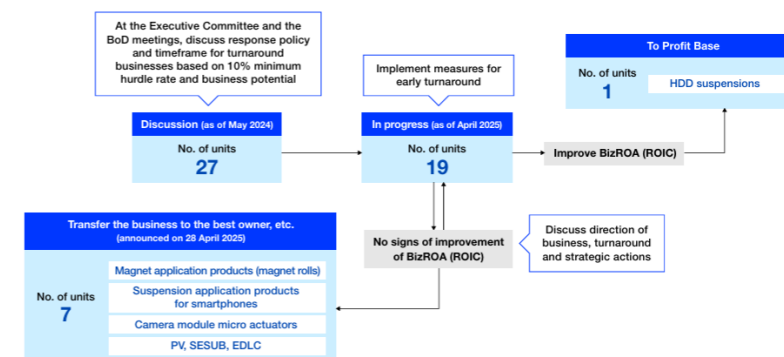
2024

“Proactive” business portfolio management
Disclosed sales composition



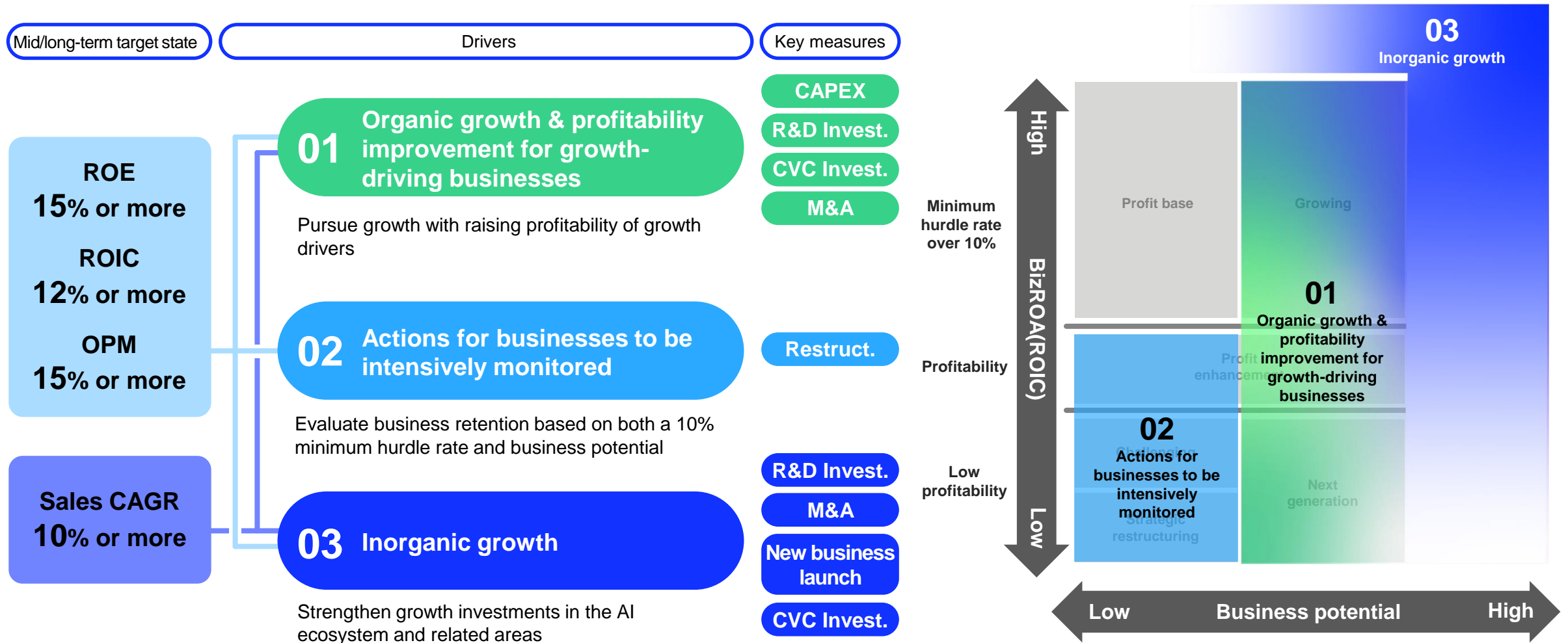
2025

“Proactive” business portfolio management
Disclosed number of “business units to be intensively monitored”



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

01

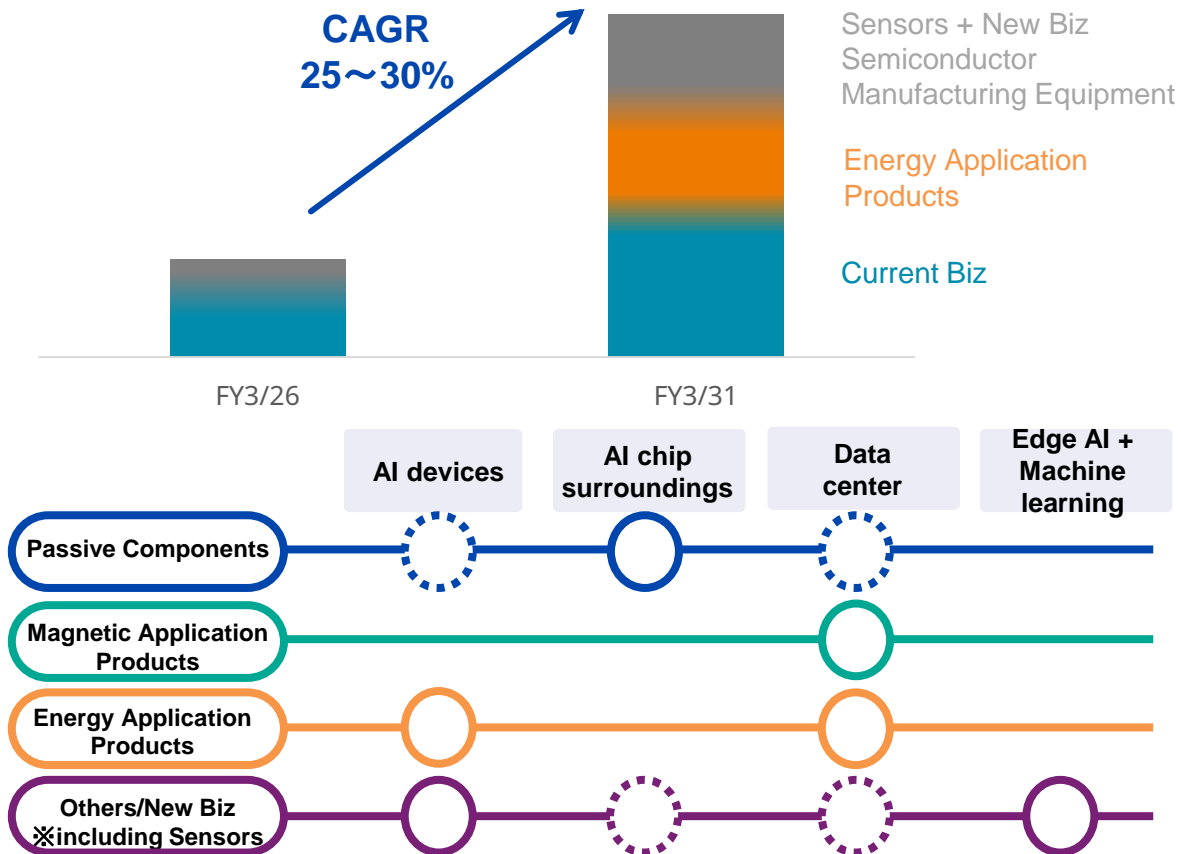


*: Semiconductor manufacturing equipment

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.

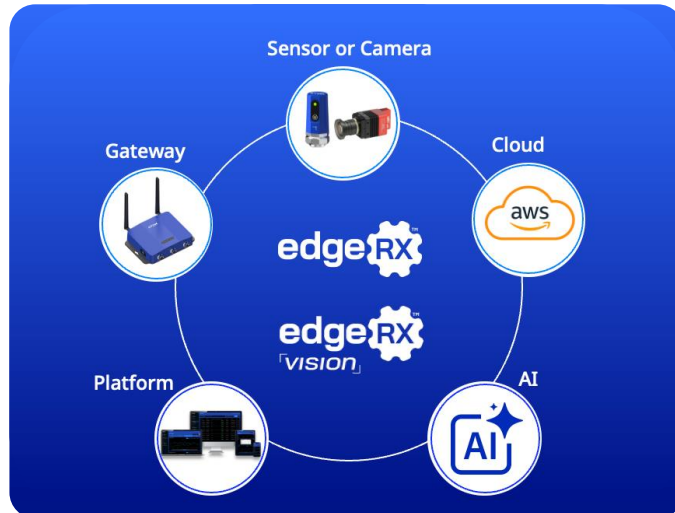
Products	Major Application and Functionality
Current Biz	Passive Components <ul style="list-style-type: none"> Contribute to semiconductor performance and respond to designs based on higher speeds and redundancy Power unit systems
	HDD heads and suspensions <ul style="list-style-type: none"> Ensure data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

Growth strategy for SensEI

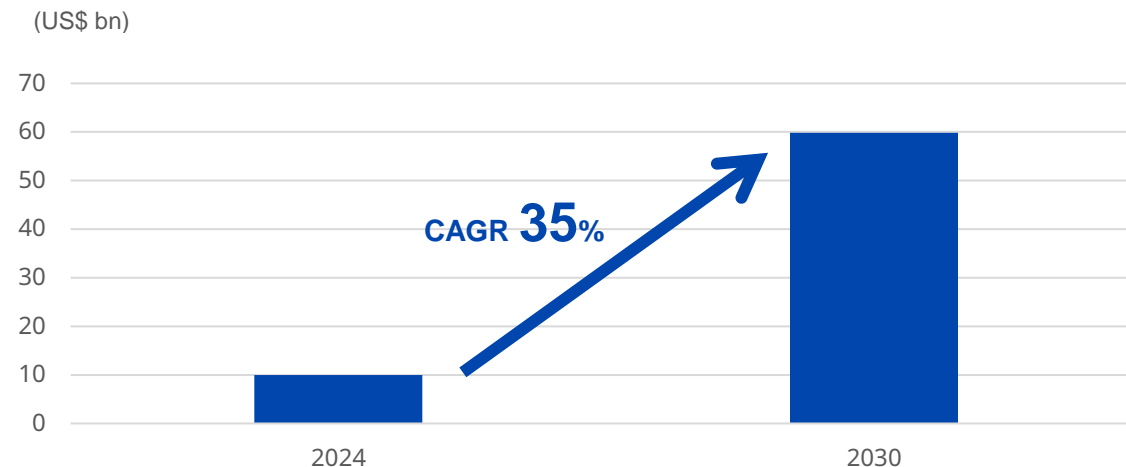
- Integration of AWS* IoT tools and secure cloud services into TDK SensEI's edgeRX™ platform.
- It will be integrated with key AWS services, and bringing scalable, intelligent machine health monitoring and predictive maintenance to industrial customers globally.

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.

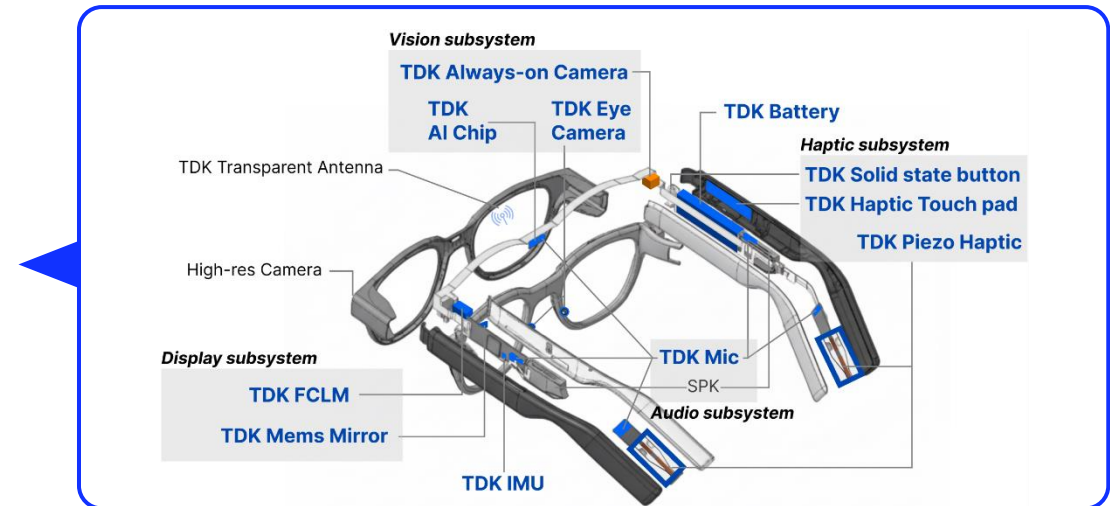
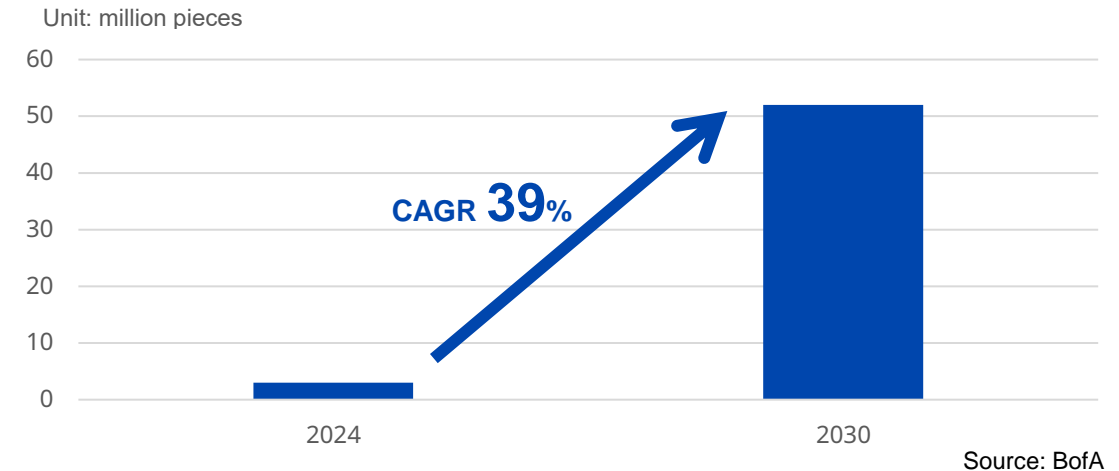
Business strategy

- 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

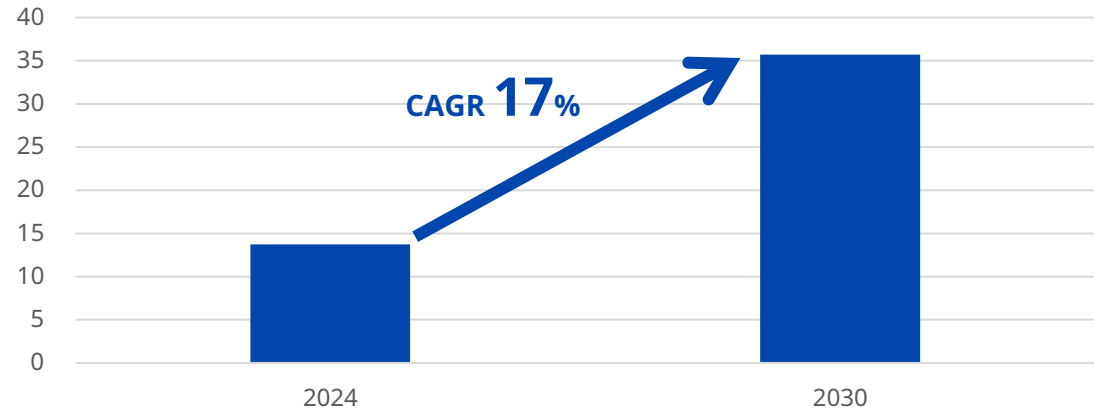
- Contribute to the AI ecosystem by combining materials and equipment technologies
- Combine proprietary bonding materials technology with bonding systems
- Require action on high thermal dissipation products for AI and power ICs
- Focus on high-reliability bonding products for logic ICs and develop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

Requirement from market

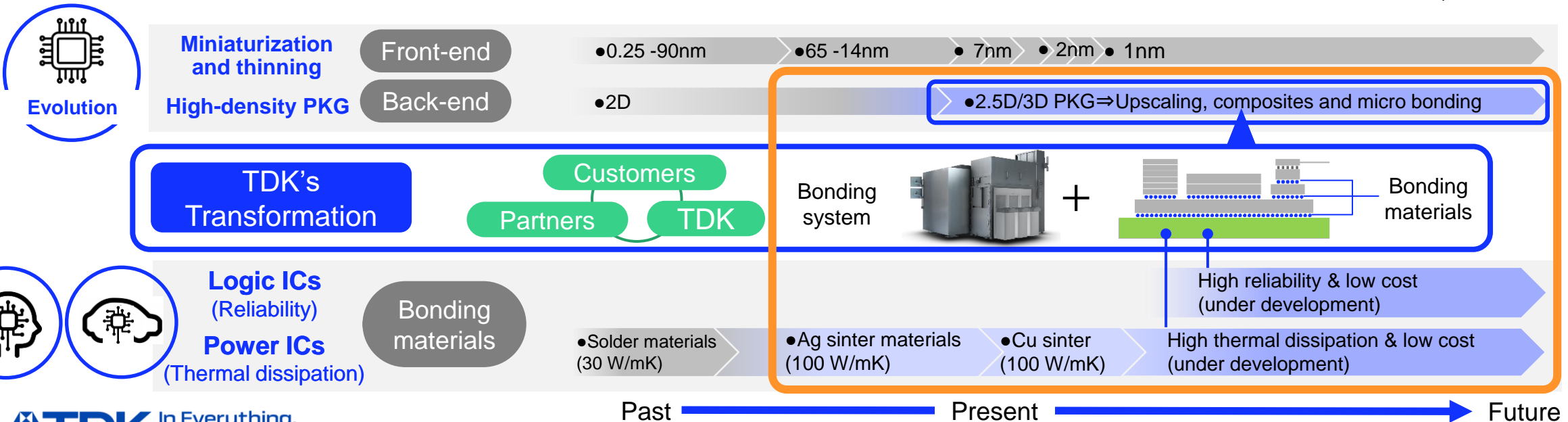
- Alongside front-end miniaturization and thinning, increased density in back-end PKG is critical to semiconductor advancement.
- In back-end PKG, high-precision bonding and high thermal dissipation to reduce power consumption losses are crucial.

Advanced-packaging market growth rate

(US\$ bn)



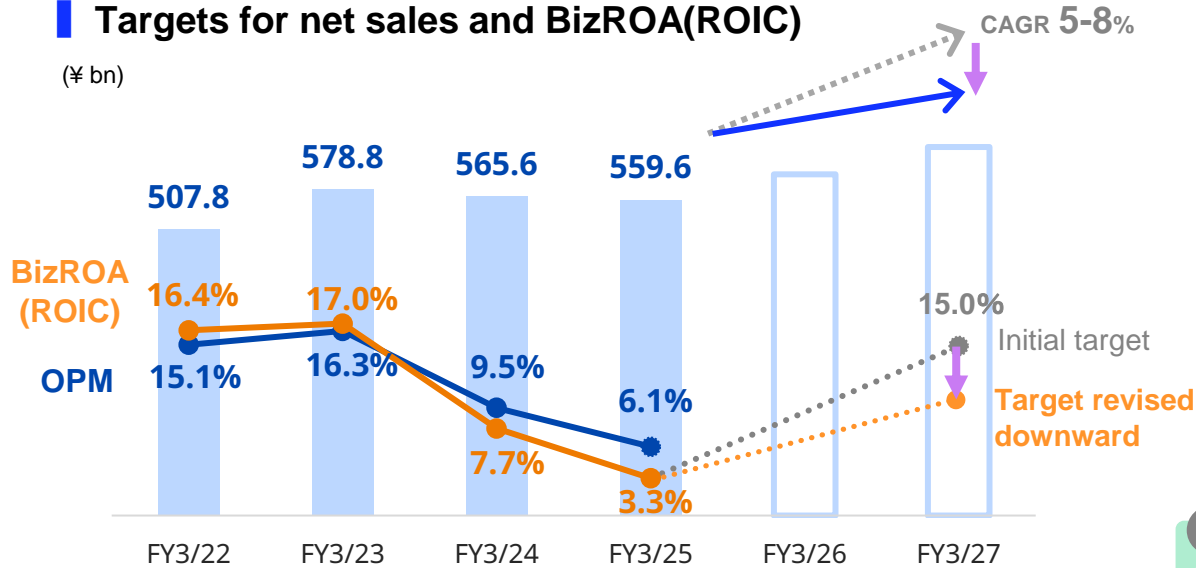
Source: Yole Development



Passive Components

Targets for net sales and BizROA(ROIC)

(¥ bn)



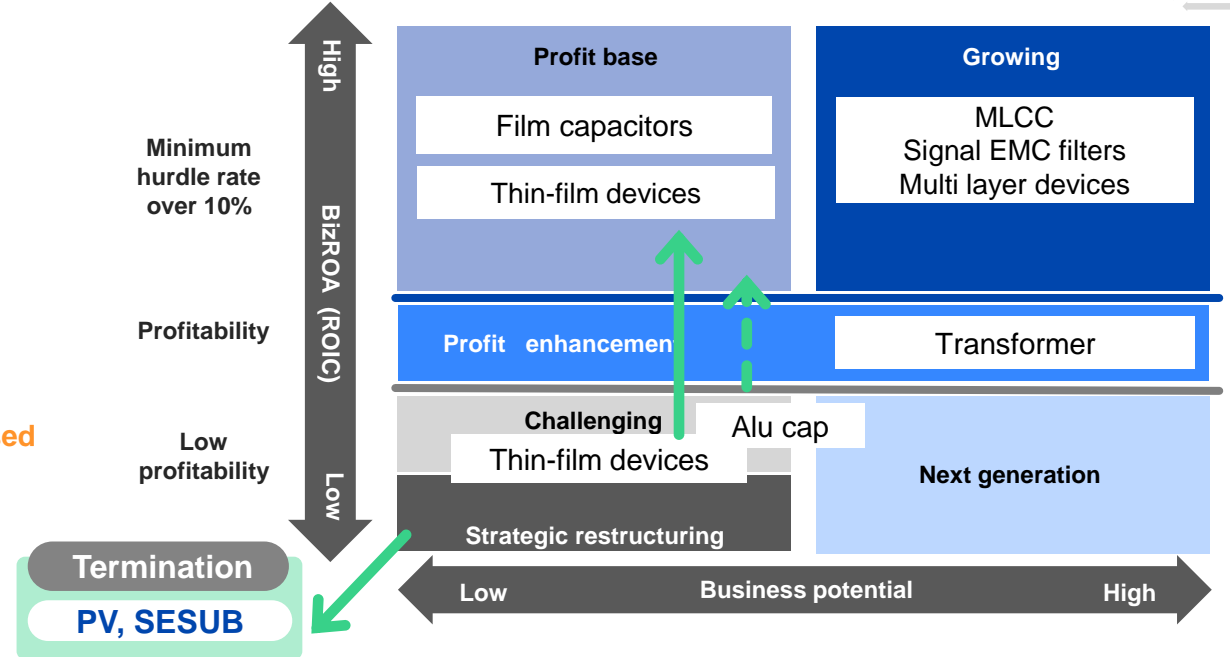
Reasons for lowering of mid-term ROIC targets

- Slowdown in sales for BEVs and sluggish in demand from the industrial equipment market

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



Organic growth & profitability improvement for growth-driving businesses

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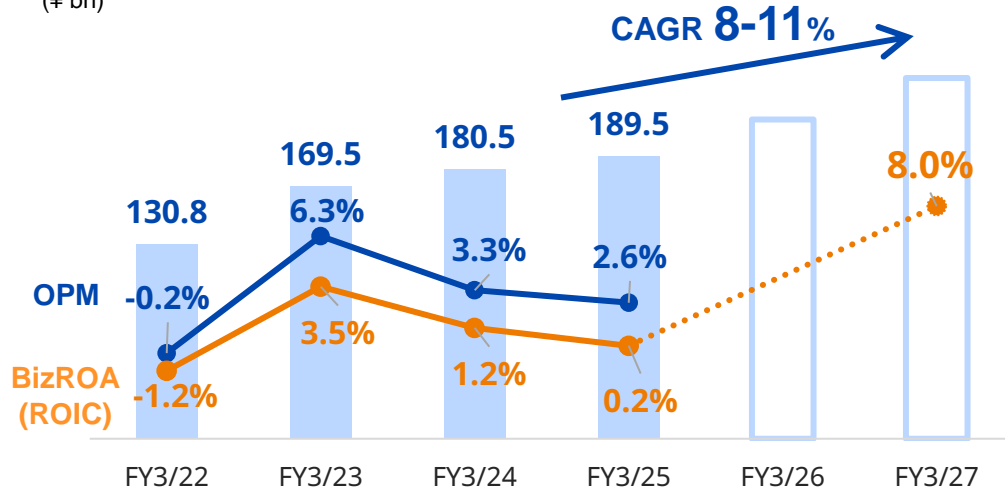
Potential for mid- to long-term growth

- 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)

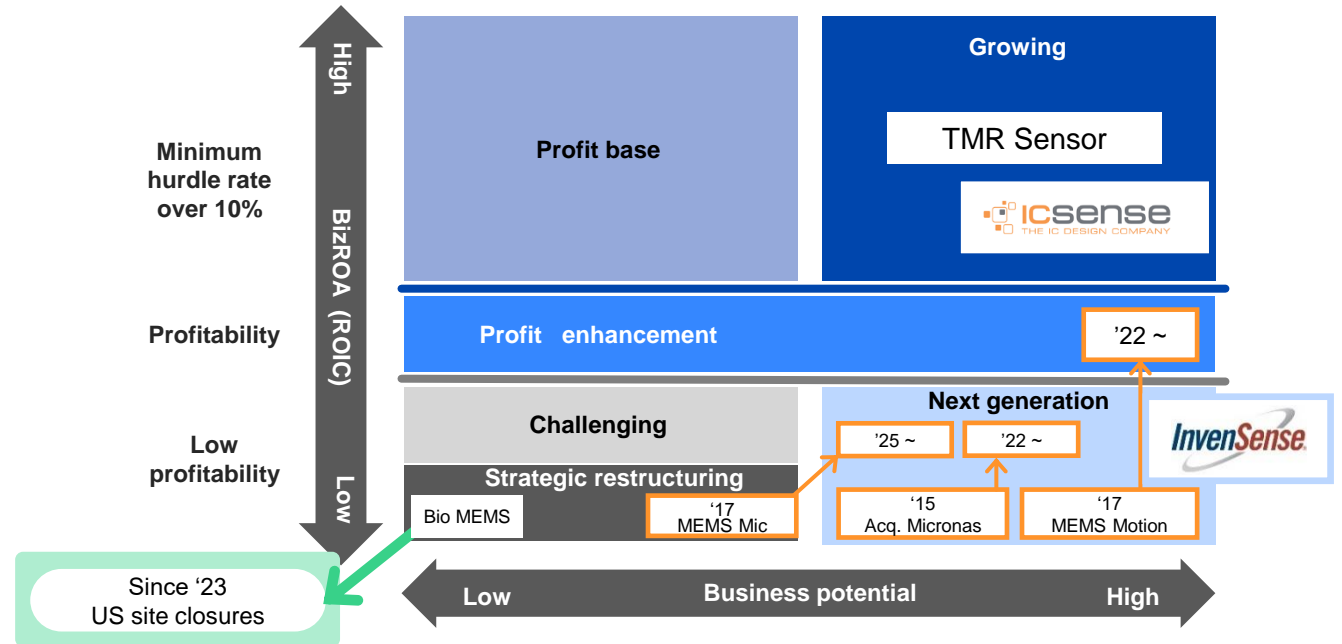
(¥ bn)



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



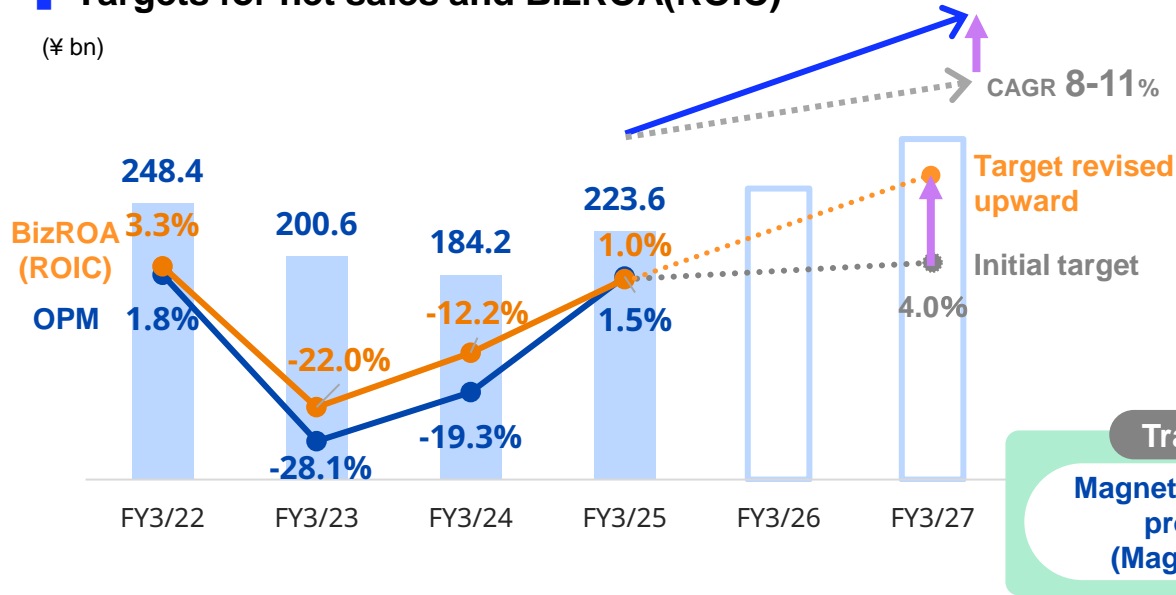
Potential for mid- to long-term growth

- 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

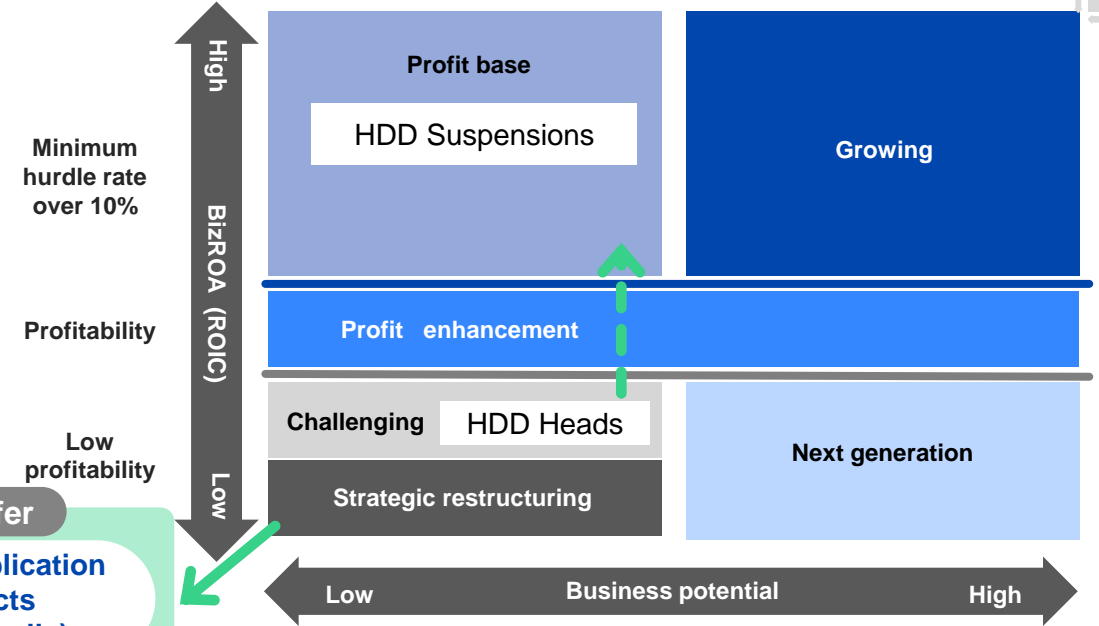
Magnetic Application Products

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

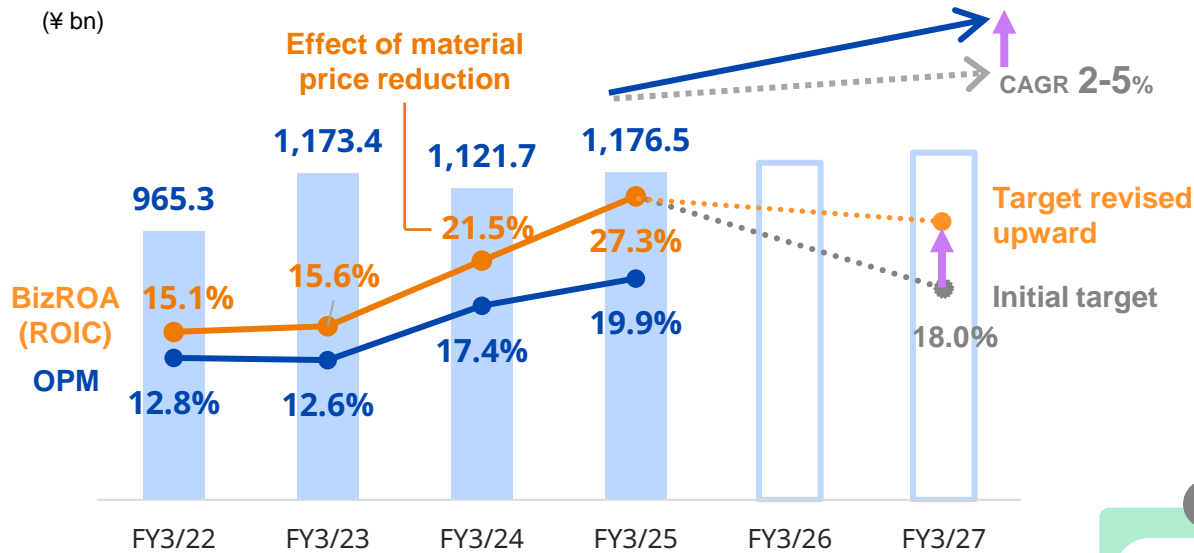
Energy Application Products

Organic growth & profitability improvement for growth-driving businesses

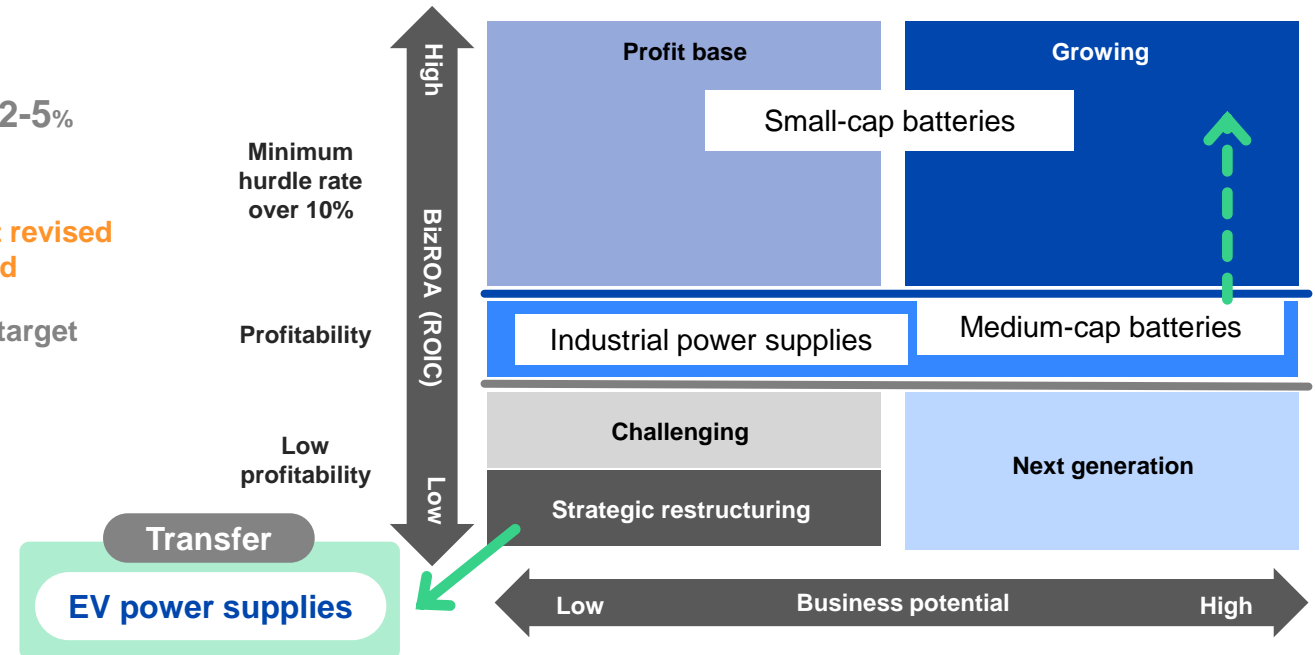
01

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

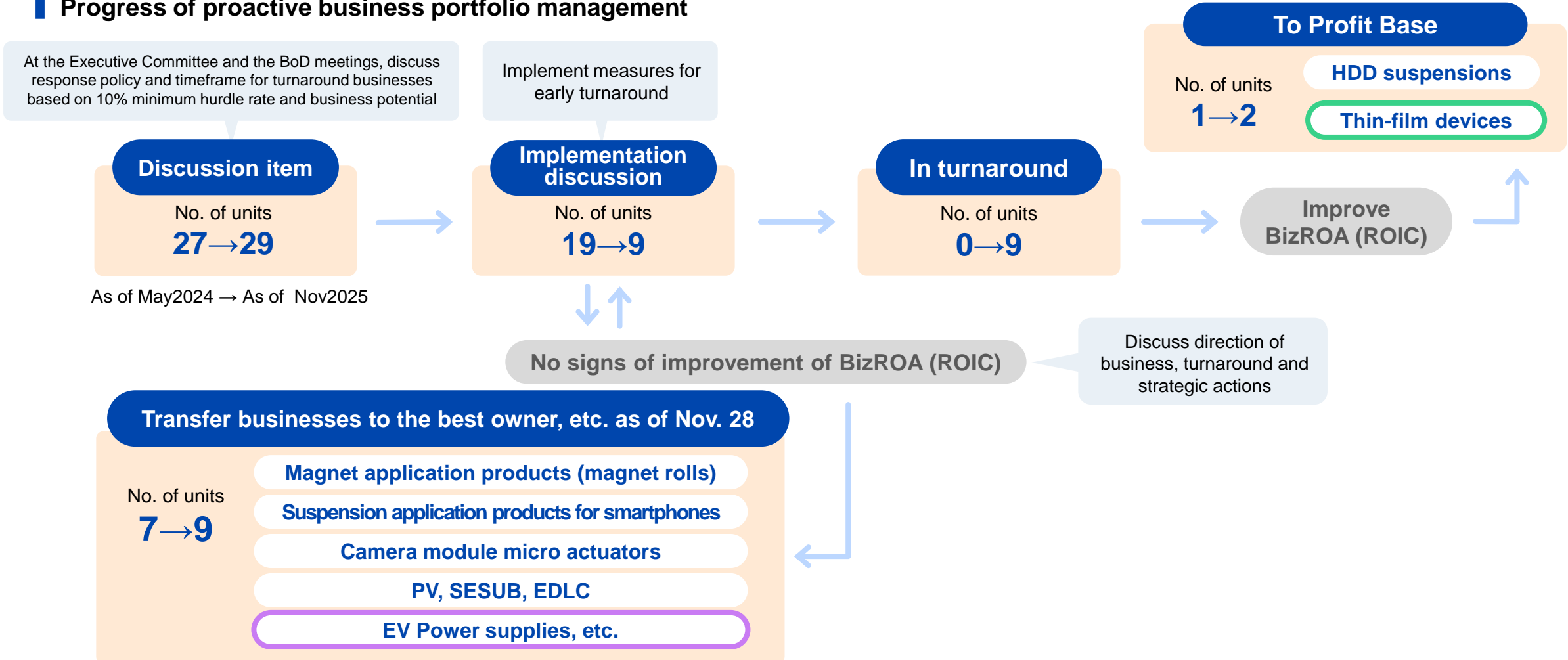
Potential for mid- to long-term growth

- 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

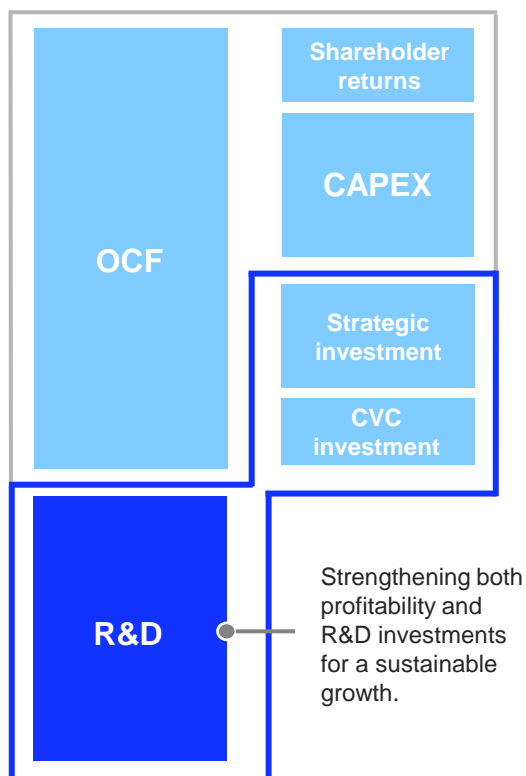
- At Investor Day 2024, announced 27 CBUs selected for businesses to be intensively monitored; added 2 later (total 29).
- 2 CBUs moved to Profit Base; 9 were divested/transferred; 9 are in turnaround; and 9 are under discussion for implementation.

Progress of proactive business portfolio management

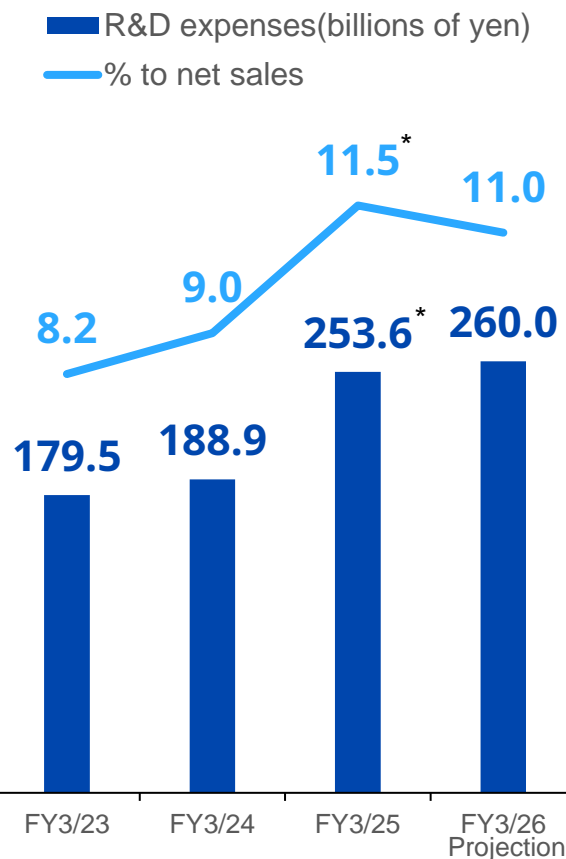


We are strengthening R&D investments in growth areas centered on AI.

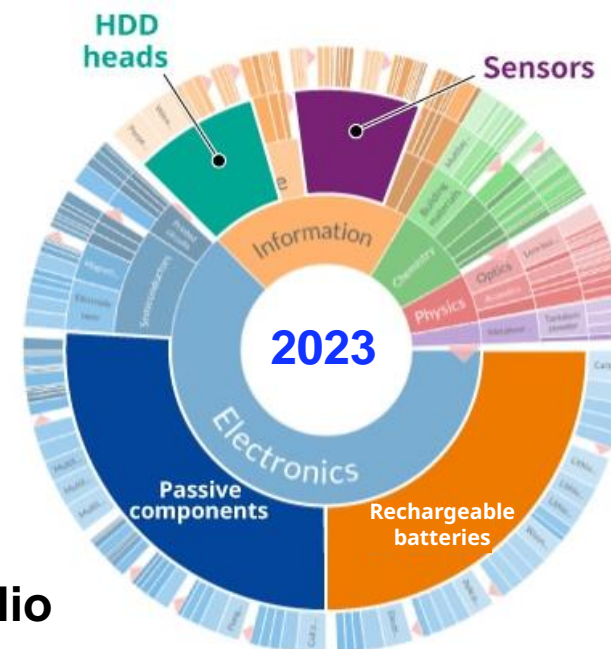
- Focusing on the development of technologies and devices that respond to the evolution and spread of AI, as well as the creation of new products and businesses utilizing AI.



Strengthening both profitability and R&D investments for a sustainable growth.



*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.

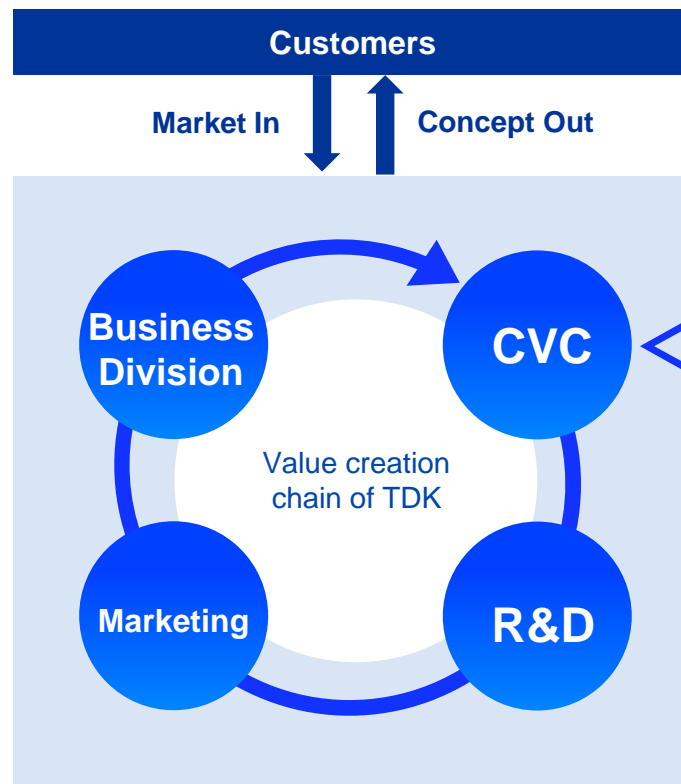
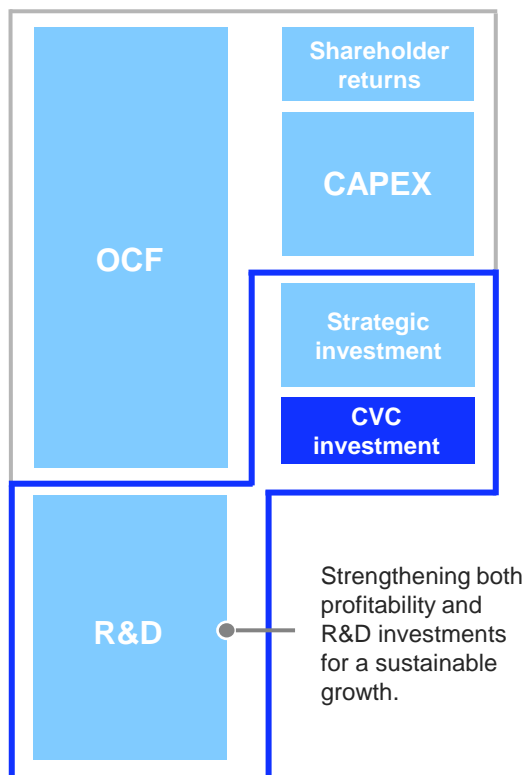


IP Portfolio

Development products with a focus on long-term growth

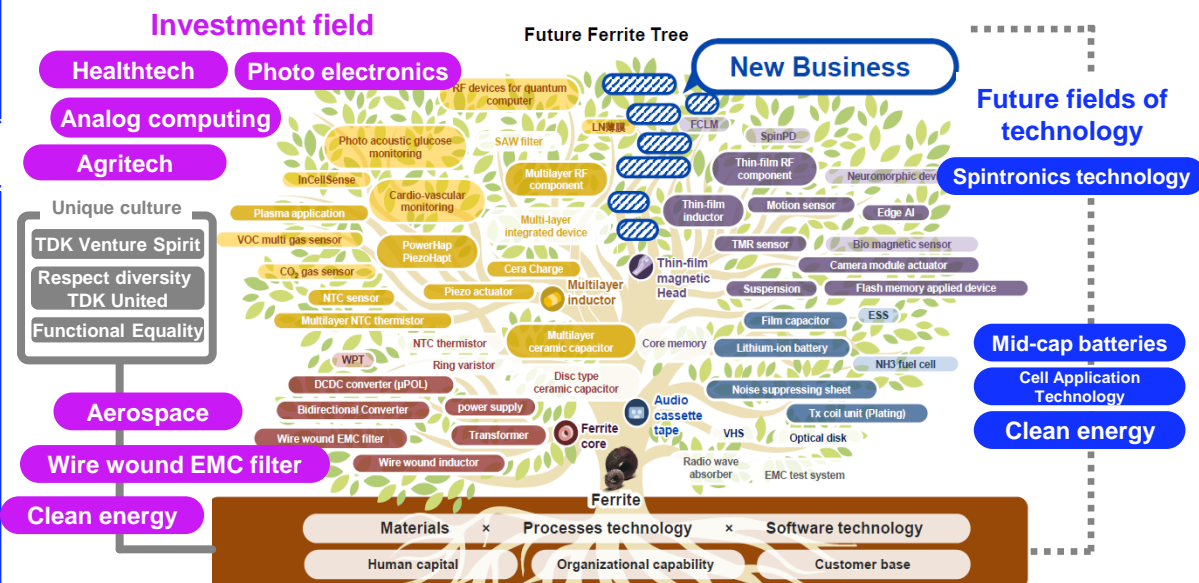
- Full-color laser module
- Neuromorphic devices
- Spin photo detectors
- Thin film lithium niobate devices
- Reservoir computing
- Solid-state batteries

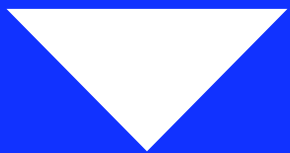
Long-term technology strategy: We are strengthening R&D investment in growth areas.



Cross-organizational technology and product development

With market-in and concept-out approaches, we work together across the board by the value creation chain of TDK.





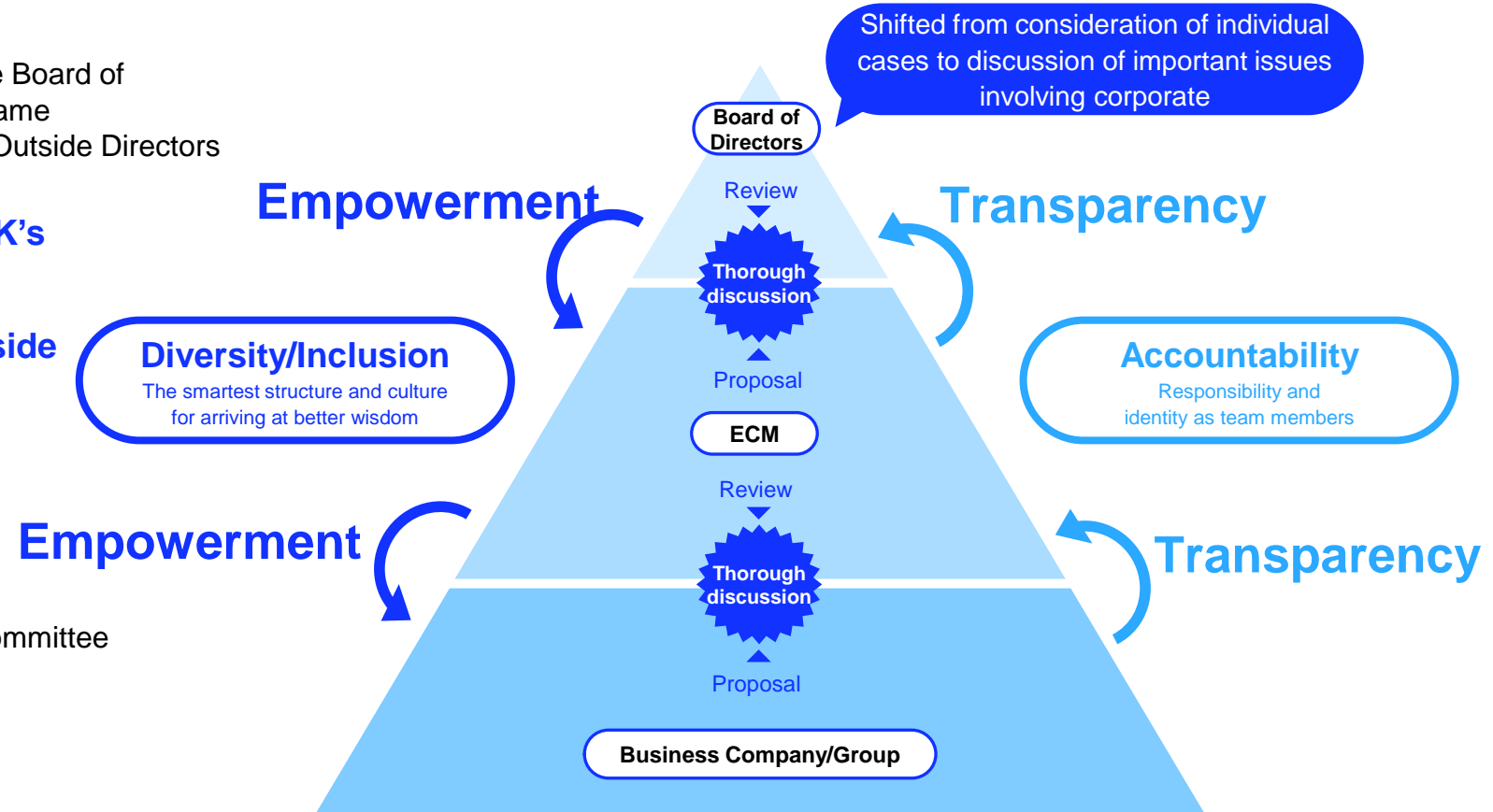
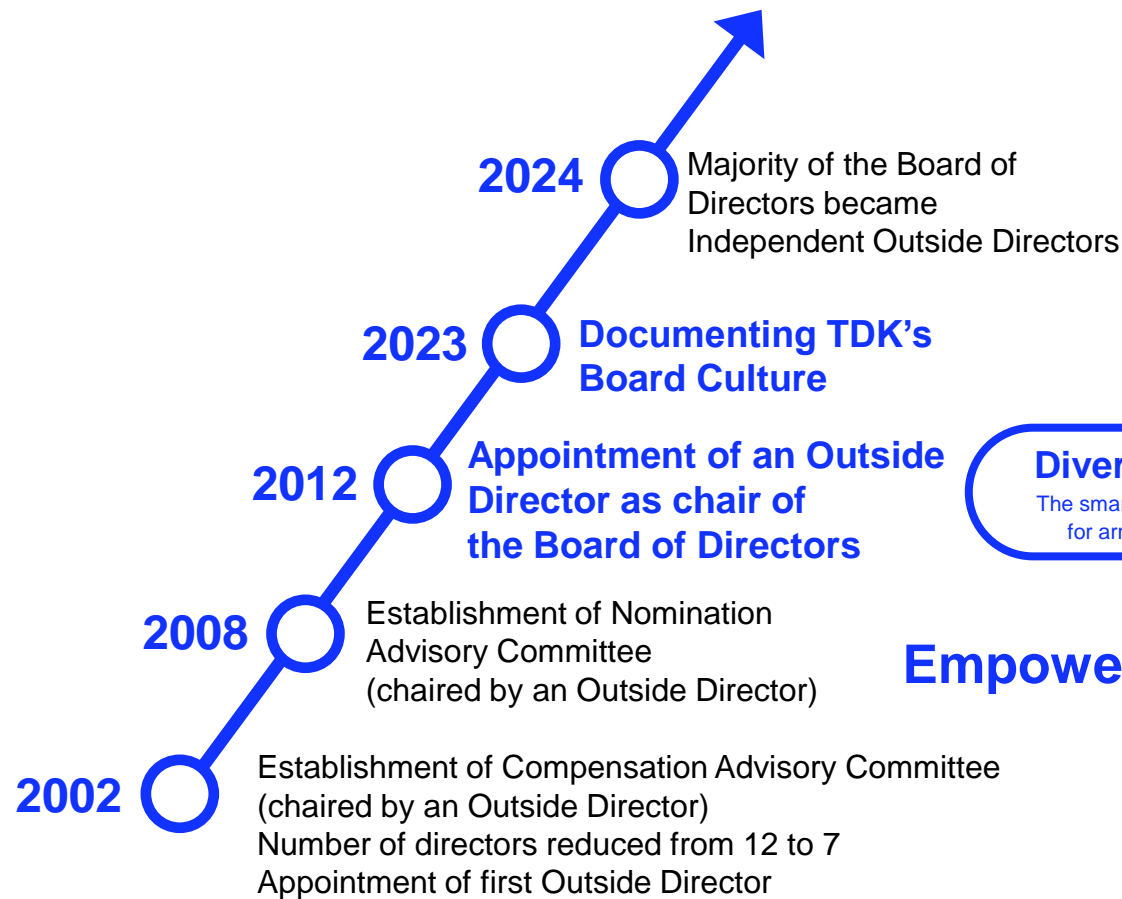
2. Evolving TDK's Governance

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

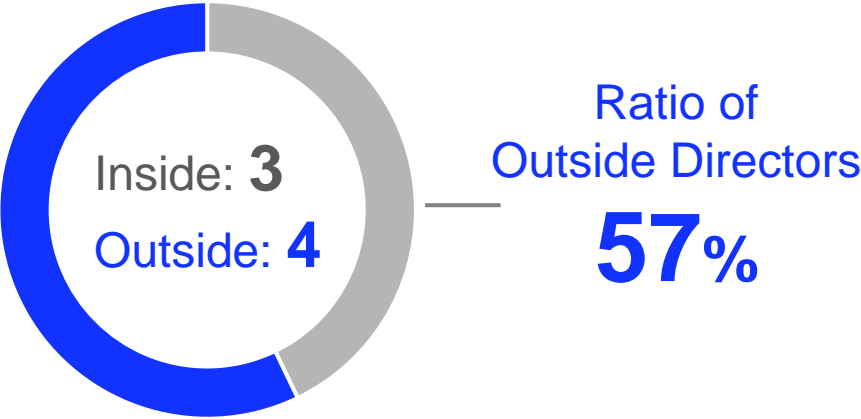
Having an abundance of experience and knowledge as a manager of a company that operates globally in the tobacco, pharmaceutical, food and other businesses.

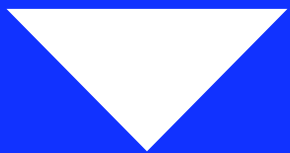
Having an abundance of experience and knowledge concerning global business related to the automotive industry as well as knowledge and insight into corporate management.

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.

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.

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

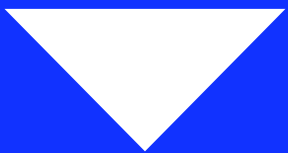
Date of appointment

June 2021

June 2020

June 2022

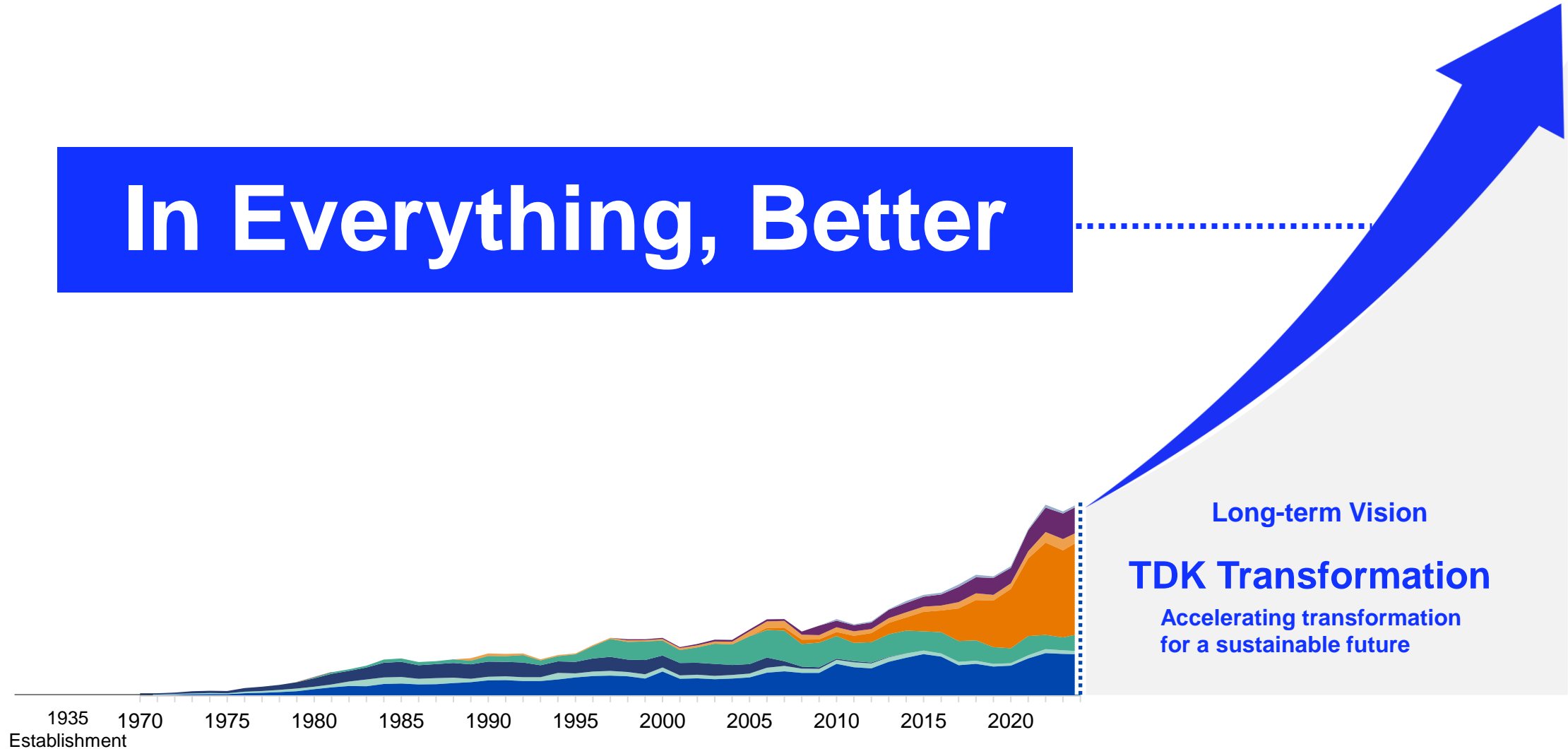
June 2024

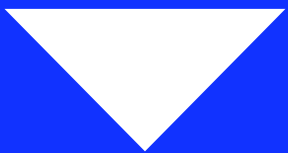


Closing Remarks

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

In Everything, Better





Appendix

Status of inclusion in Indices / Evaluation by external organizations

Indices



JPX Prime 150 Index



**FTSE4Good
Index Series**



**FTSE Blossom
Japan Index**



**FTSE Blossom
Japan Sector
Relative Index**



**MSCI ESG Leaders
Indexes ※1**

**2025 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX ※2**



**Morningstar Japan
ex-REIT Gender
Diversity Tilt Index**



**S&P/JPX Carbon
Efficient Index**

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Evaluation by external organizations



**Best IR Award
(2025)**



**Extel Japan Executive
Team Survey
Most Honored Company
(2025)**



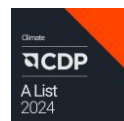
**WICI Japan Integrated
Report Award
Gold Award (2024, 2025)**



**NIKKEI Integrated Report
Award
Award for Excellence
(2022-2024)**



**S&P Global Sustainability
Yearbook Member
(2020-2025)**



**CDP Climate Change A
(2024)
CDP Water Security A
(2020-2024)**



**CDP Supplier Engagement
Rating:
Supplier Engagement Leader
(2020-2024)**



**Ecovadis Sustainability
Rating
PLATINUM (2025)**



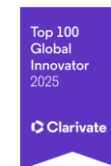
**SX Brand
(2025)**



**Health & Productivity
Management Organization
Recognition Program
(2023-2025)**



**work with Pride
Gold (2024)**



**Clarivate Top 100
Global Innovators
(the eleventh time)**

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