




The 14th Medium-term Management Plan

One TAMURA *for Next* **100**

FY2026/3 - FY2028/3

- 
- ◆ Review of the 13th Medium-Term Management Plan and Business Environment
 - ◆ The 14th Medium-Term Management Plan
 - Business Strategy
 - Financial Strategy
 - Sustainability Strategy

Results of the 13th Medium-Term Management Plan

Business Strategy: Growth & Efficiency

	Financial Targets	FY2021 (Base year)	FY2022	FY2023	FY2024 Target	FY2024 Actual	
Profitability & capital efficiency improvement	Operating Profit	JPY 1.6bn	JPY 4.8bn	JPY 4.9bn	≥JPY 6.0bn	JPY 5.2bn	Financial targets significantly missed
	Operating Profit %	1.8%	4.5%	4.6%	6%	4.6%	
	ROE	▲0.2%	4.0%	4.1%	8%	4.6%	
	(Guideline) Sales	JPY 88.3bn	JPY 108.0bn	JPY 106.6bn	≥JPY 100.0bn	JPY 114.0bn	Sales guideline achieved
	(Guideline) ROIC	1.6%	3.8%	3.8%	6%	4.8%	
Business growth contributing to carbon neutrality	Geographical expansion (Sales ratio in EU and the Americas)	17%	19%	24%	≥20%	24%	Sales expanded in North America
	New products & businesses (Sales ratio of new products and new markets)	-	12%	22%	30%	24%	Delay in shifting away from existing areas

Sustainability Strategy

		FY2024 Target	Result
Materiality	Sustainable business growth	Ratio of new product and market sales: 30%	24%
	Product quality improvement	Defect cost ratio: 15% reduction against the average during the 12th Medium-Term Management Plan period	32% increase
	Proper supply chain management	SAQ survey on key suppliers: 100%	76%
	Compliance	Compliance training: 100%	96%
	Fulfilling workplace	(1) (Global) Improvement of employee survey implementation score: 3 pt/year (2) (Japan) Diversity promotion Ratios of female, non-Japanese, and mid-career employees in managerial positions: 10%, 5%, 50%	(1) ±0pt (2) 8.3%, 1.8%, 39%
	Cooperation with communities	Social contribution cost: 1% or more of ordinary profit	1.2%
	Environmental protection & contribution to decarbonized society	(1) Ratio of sustainability-contributing product sales: 27% (2) Greenhouse gas (Scope 1, 2) reduction: 33% or higher (compared to 2013; standard values are adjusted for conditions at individual factories)	(1) 24% (2) 38%
	Proactive information disclosure	Publication of integrated report / Climate related disclosure based on TCFD	Issued / Released

*Workplace Fulfillment Initiative (2) as of April 1, 2025

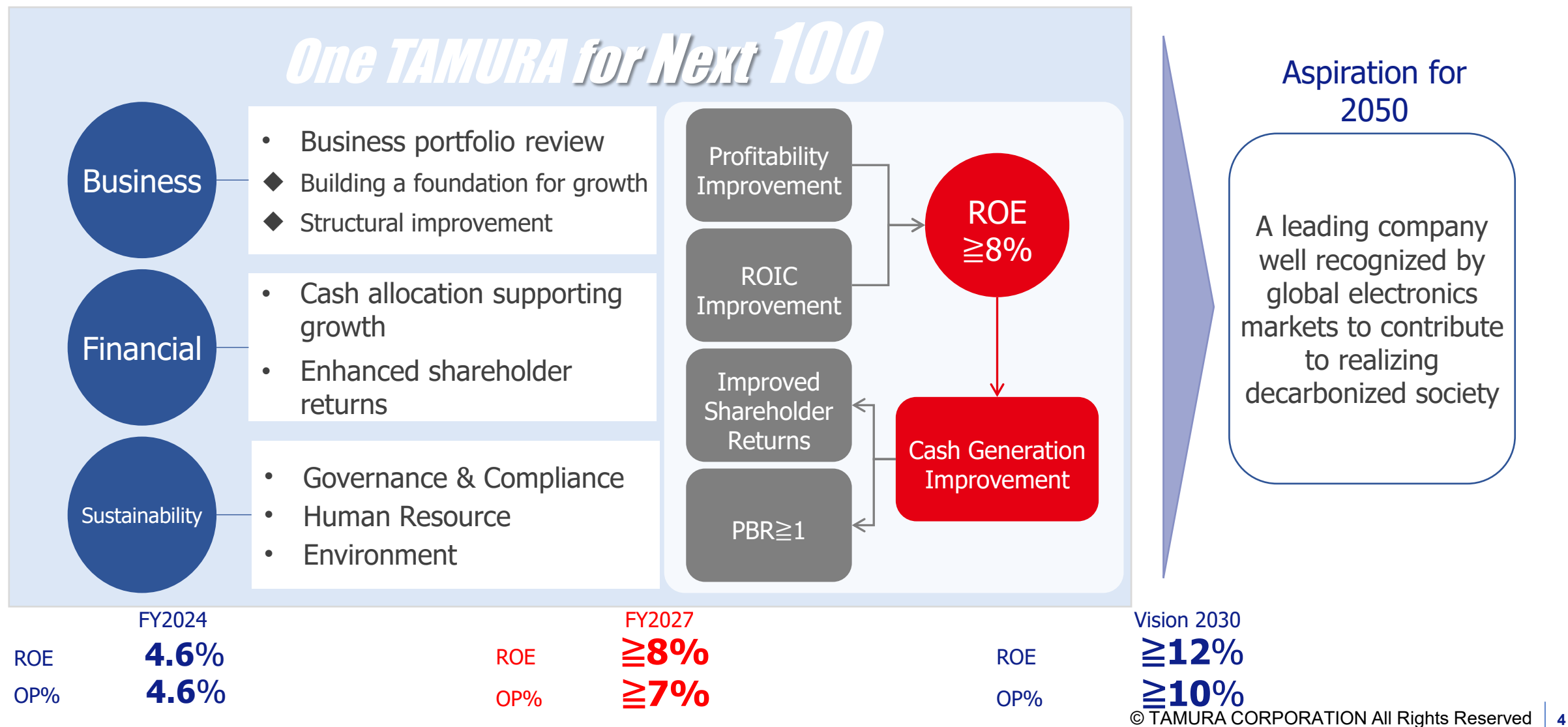
Review of the 13th Medium-Term Management Plan

	Profitability & capital efficiency improvement	Business growth contributing to carbon neutrality	Sustainability Strategy
Strategy	<ul style="list-style-type: none">• Focus on power electronics, mobility, and IoT• Expand markets primarily in Europe and the Americas• Internal management based on ROIC• Expansion of high-value-added products	<ul style="list-style-type: none">• Development of passive components for next-generation power semiconductors	<ul style="list-style-type: none">• Energy reduction & renewable sourcing• Higher sales ratio of Sustainability-contributing products• Securing diversity in people• Promotion of work fulfillment reform
Business Environment	<ul style="list-style-type: none">• Increase in material costs and labor expenses• Slowdown in the Chinese market and economic stagnation in Europe• Rapid depreciation of the JPY	<ul style="list-style-type: none">• European renewable market stagnation• Delayed adoption of next-gen power semiconductors• AI related demand growth	<ul style="list-style-type: none">• Call for Scope 3 emissions control
Achievements & Challenges	<ul style="list-style-type: none">• Enhancing profitability in the electronic components business• Financial target for the final year not achieved• Delay in the review of the business portfolio• Inventory reduction target not met	<ul style="list-style-type: none">• Rising sales ratio in Europe and the Americas• Strengthened next-generation product development system• Delayed new product & market development• Mismatch in automotive forecasts	<ul style="list-style-type: none">• GHG reduction (Scope 1, 2) target achieved• Promoted psychological safety initiatives• Compliance issue occurred

Improvement in profitability, asset efficiency, and governance strengthening
Target to be achieved

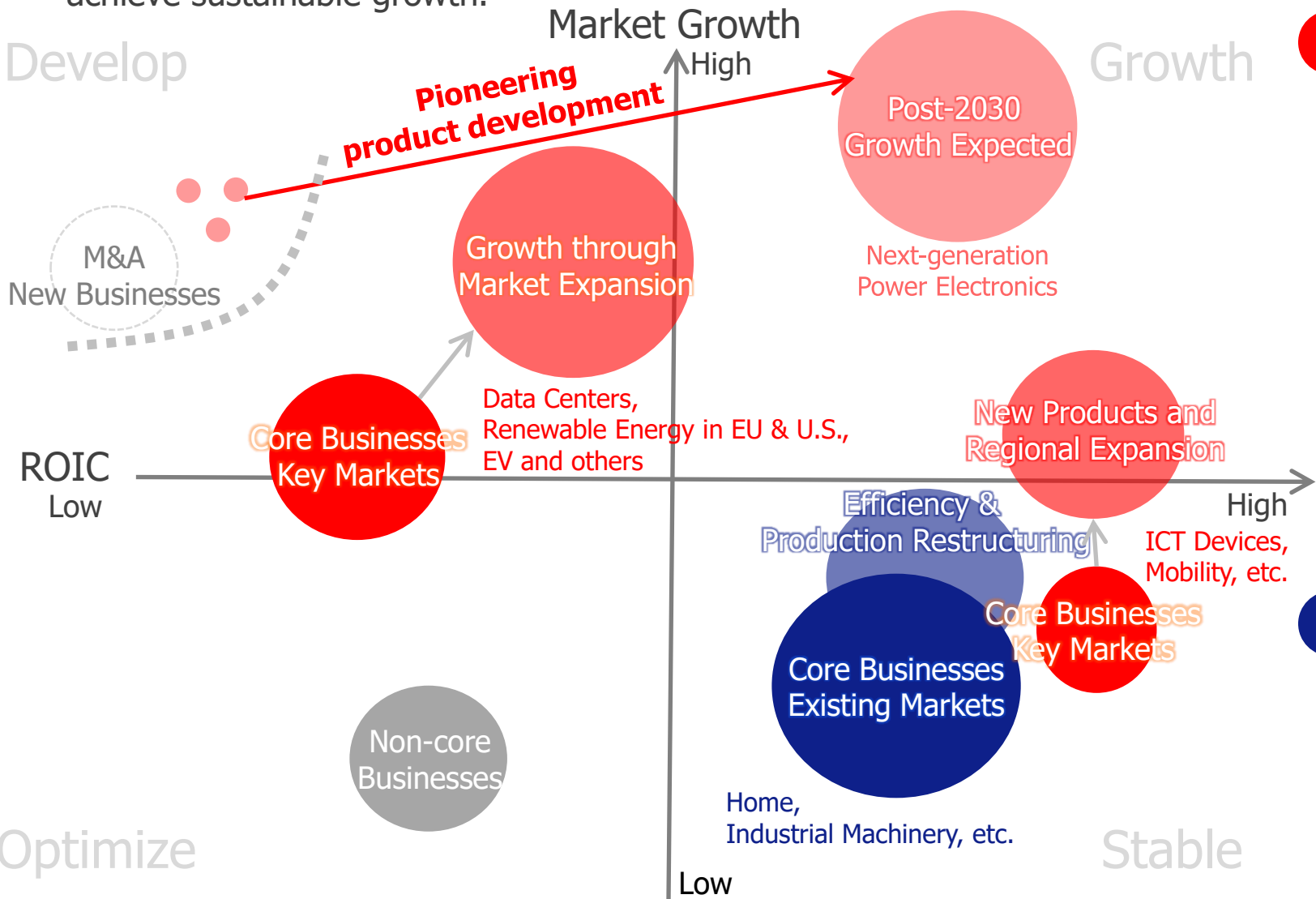
Overview of the 14th Medium-term Management Plan (April 2025 – March 2028)

◆ Aiming for a PBR above 1x through integrated ROE improvement across business, sustainability and financial strategies



Business Portfolio

◆ Rebuild the business portfolio by anticipating market and technological changes, aiming to enhance profitability and achieve sustainable growth.



Initiatives for Growth

Focus on core businesses and key markets

Core Business

Carbon-neutral related business
Electronic Components & Electronic Chemicals

Key Markets

Clean energy-related markets
Power infrastructure, heavy industry, next-generation communications, mobility

Promoting structural improvement

Promote efficiency and optimization in:

- existing core businesses
- non-core businesses

Initiatives for Growth

- ◆ Expand the sales of core business focus products in the clean energy-related market, mainly in Europe and the Americas
- ◆ Seize business opportunities in the evolution of next-generation power semiconductors, aiming to create differentiated magnetic passive devices from materials in various businesses

Key Markets

Clean Energy-related Markets

Power Infrastructure

Wind, Solar, and Hydrogen

Heavy Industry

Power Transmission & Distribution

Inverters
Data Centers

Next-generation Communications

Devices & IoT Equipment

Mobility

EV / V2H
Traction

Advancing to next-generation power semiconductors and expanding efforts to support a decarbonized society

Key Products

Next-generation Power Electronics-related Products

Large Transformers & Reactors

High-frequency Transformers & Reactors

High-voltage Gate Drivers

High-capacity Current Sensors

Power Electronics-related Chemicals

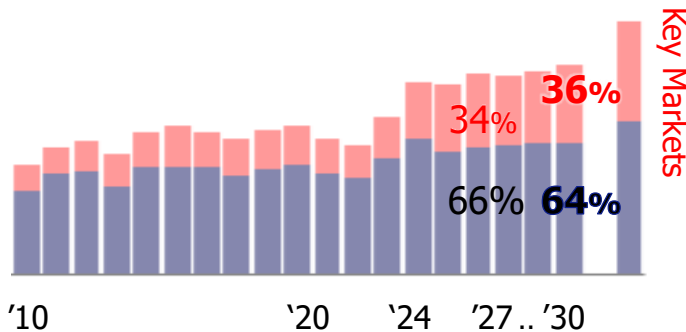
Advanced Semiconductor Chemicals

Magnetic Passive Components for Next-generation Power Semiconductors

Core Business* Objectives

	FY2024 Actual	FY2027 Target
Sales (JPY)	Approx. 100bn	≥100bn
Operating Profit (JPY)	Approx. 6bn	≥8bn
Operating Profit %	Approx. 6%	≥8%

Sales ratio of key markets within core businesses



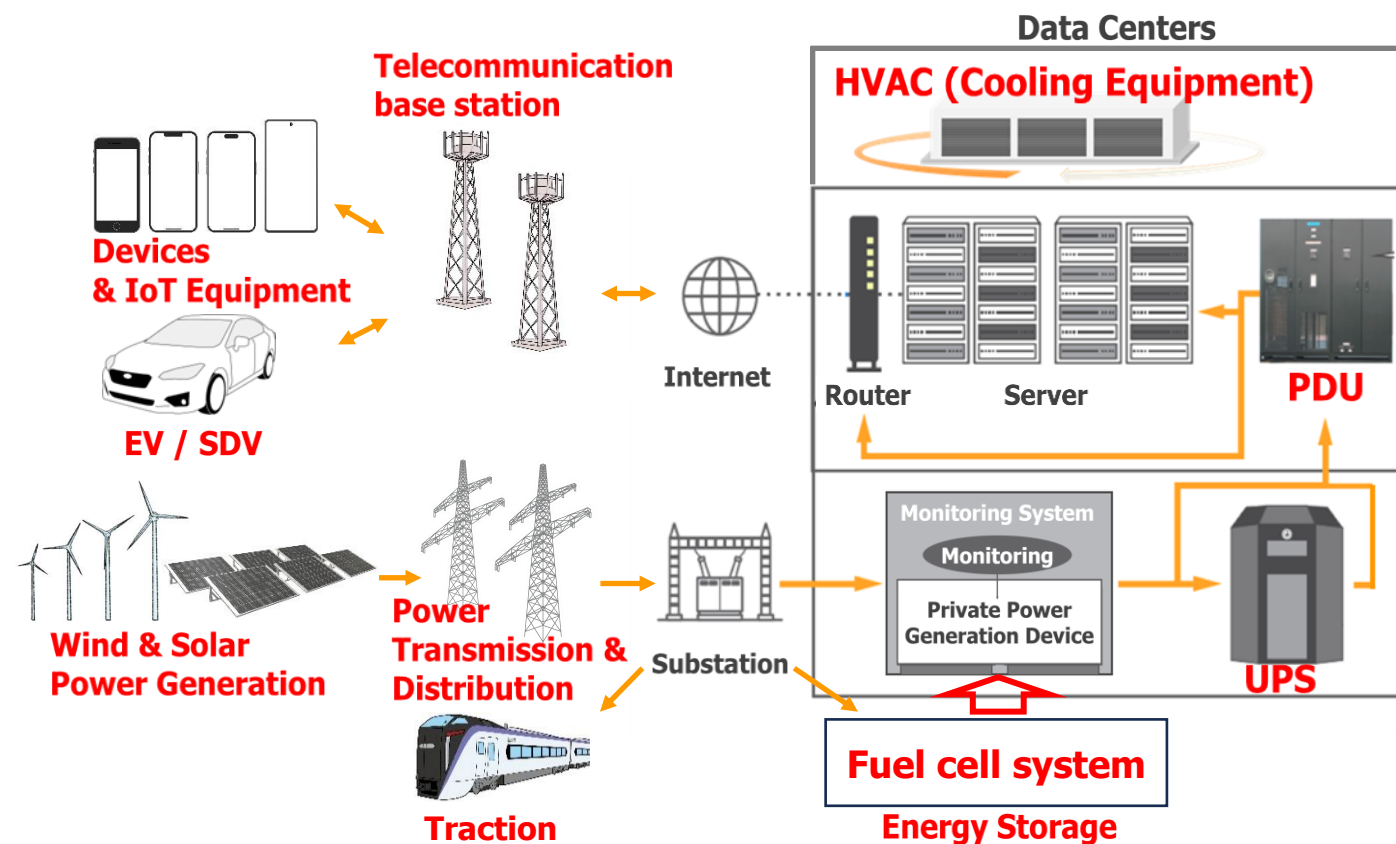
Increase in ratio through the introduction of next-gen power electronics products

*Electronic Components + Electronic Chemicals

Tamura's Strength in Key Markets

- ◆ Offering a wide range of products, from chemical materials to electronic components, to the expanding clean energy market toward a decarbonized society

Providing advanced high-frequency, high-voltage products for the clean energy market, supporting the shift to a decarbonized society

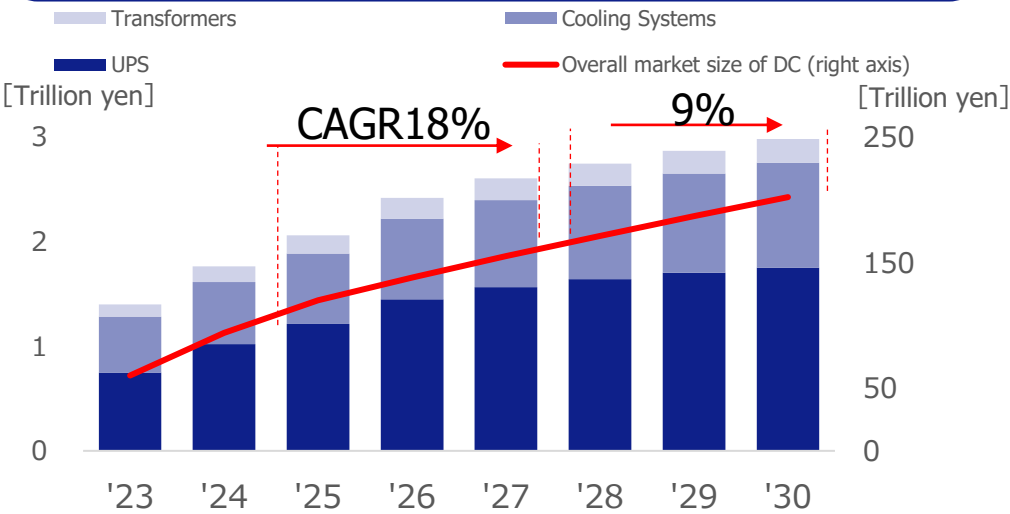


Key Markets	Core Business Products
<ul style="list-style-type: none"> • Devices & IoT Equipment • Telecommunication base station • EV・SDV 	<ul style="list-style-type: none"> • Solder Paste • Solder Resist • Power Electronics-related Chemicals • Advanced Semiconductor Chemicals
<ul style="list-style-type: none"> • HVAC (Cooling Equipment) • PDU 	<ul style="list-style-type: none"> • Transformers & Reactors • Large Transformers
<ul style="list-style-type: none"> • UPS 	<ul style="list-style-type: none"> • Large Reactors • Gate Driver Modules • Current Sensors
<ul style="list-style-type: none"> • Fuel cell system • Power Transmission & Distribution • Traction • Wind & Solar • Power Generation 	<ul style="list-style-type: none"> • Large Transformers & Reactors • Gate Driver Modules • Current Sensors • Power Electronics-related Chemicals

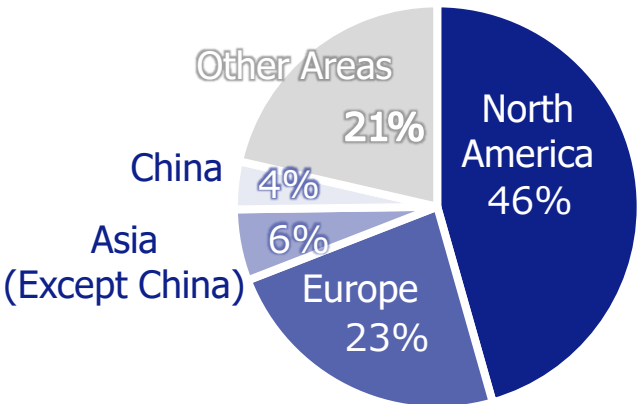
Expansion of Electronic Components Sales in the Data Center Market

◆ Focusing on the North American market, where demand for data centers is concentrated, while also strengthening sales expansion in the ASEAN and Japanese markets.

Market Size & Regional Distribution



Source: Fuji Chimera Research Institute, Inc. "2024 Data Center, AI/Key Device Market Survey"
Market size trends by category (overall, power systems, cooling systems) based data created & translated by Tamura Corporation



Source: VISUAL CAPITALIST "Ranked: The Top 25 Countries With the Most Data Centers" based data created by Tamura Corporation

Sales Expansion Strategy for Electronic Components

Increase share with existing customers and acquire new projects

- Technology** Supporting high-frequency, high-capacity, and high-voltage requirements
 - Global Supply Capabilities** 8 production site for large transformers & reactors
 - Total Solution** Combining modules with large transformers & reactors
 - High Market Share** Gaining share among major customers' PDUs
- Approx. 20% share of PDU transformers in the North American data center market *based on our research

Strengthen Production & Sales Framework in Europe and the Americas

- Mexico** Second plant to begin operation in Feb. 2025; enhancing production of large transformers & reactors
- Japan** Establishing production systems for module products
- Midwestern U.S.** Considering new sales office to expand coverage

FY2027 Target

Data Center Market Sales

vs. FY2024

Approx. **30%UP**

Electronic components sales ratio in Europe and the Americas

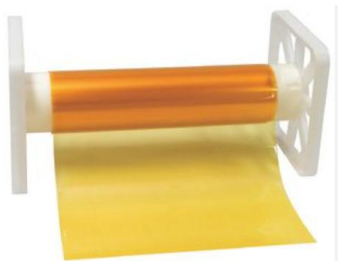
Approx. **40%**

Photo Imageable Coverlay Coat (PICC) for Flexible PCBs Sales Expansion

◆ Expanding PICC sales for high-density, high-functionality, and thinner flexible PCBs

Features of Photo Imageable Coverlay Coat (PICC)

PICC = Photo Imageable Coverlay Coat



	Conventional Products (Coverlay)	PICC	Competing Products
Fine Processing Capability (Compatible with Photolithography)	×	○	○
High-density component mounting	×	○	△
Bendability	○	○	○
Low Rebound	△	○	○
Repeated Bending	○	△	×

*Based on our research

Sales Opportunities from Technological Advancements



AI-equipped Smartphone

Expansion of battery space



Demand for space efficiency



High-density, high-functionality, and
thinness of circuit boards

Progress in the adoption of Photo Imageable Coverlay Coat (PICC)



SDV Sensors / Displays

**Further expansion into
various applications**



Healthcare /
Wearables



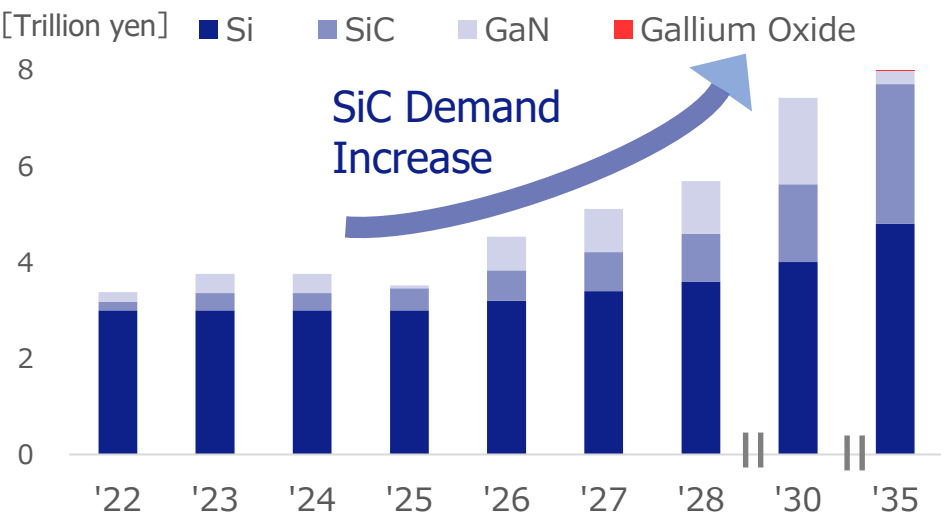
AI Server Peripheral
Sensor PCBs, etc.

**Promote the development of low
dielectric materials to further
reduce transmission energy loss**

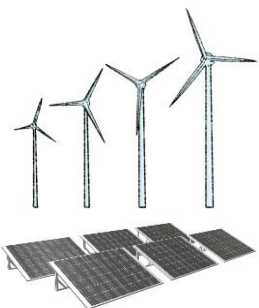
Development of High Heat Resistant Materials for Power Electronics

- Promoting the development of soldering materials that combine metal bonding technology and paste technology for SiC power devices, which are becoming smaller and more highly integrated

Global Market for Power Semiconductors and Expanding Areas



Source: Fuji Keizai, '2025 Edition - Current Status and Future Outlook of the Next-Generation Power Device Market' the global power semiconductor market, based data created by Tamura Corporation



Renewable Energy



Mobility

Device structures expected to be applied

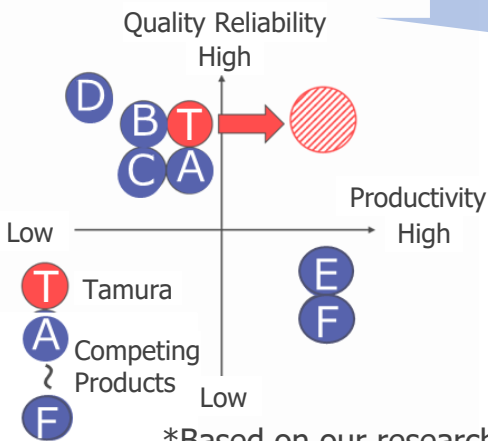


Demand for increased power supply



Demand for improved heat dissipation

- Small device structure
- Structure that cannot be pressurized during joining
- Measures for copper material joining strength
- Stable continuous supply with printing / dispensing
- Power cycle support over 200°C
- Lead-free for environmental compliance



Metal Bonding Technology
X
Paste Technology

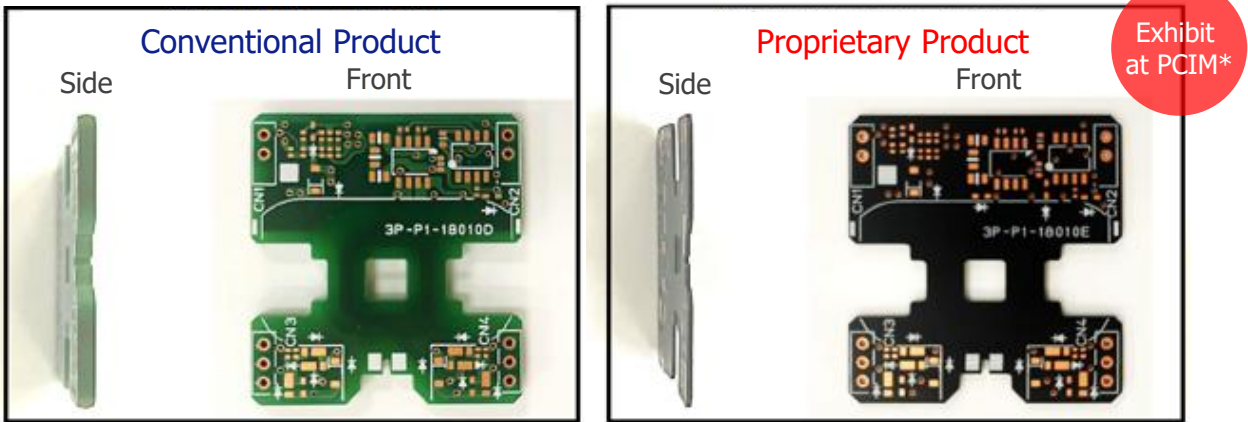
Development of high heat-resistant bonding materials for SiC power devices

Development of Composite Multilayer Substrates for Next-Generation Power Modules

- ◆ Integrating Electronic Component and Electronic Chemical technologies to uniquely develop high-precision, high-reliability composite multilayer substrates

Prototype example of proprietary composite multilayer substrate

When used in gate driver module substrates

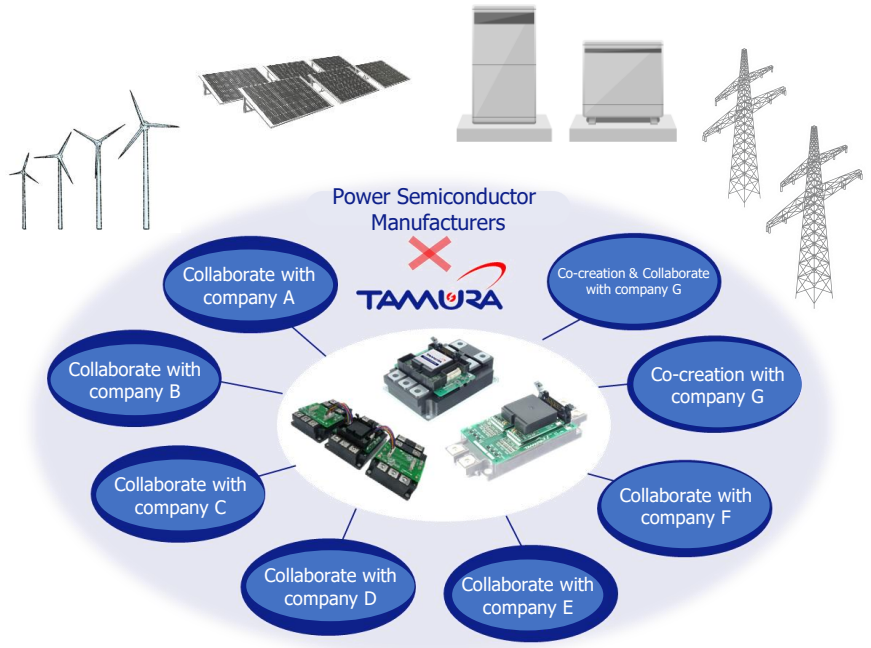


Thickness (2.4mm) → **Less than half**
Dielectric strength performance → **Equivalent**
Dielectric constant → **Reduced by more than 30%**
⇒Parasitic capacitance ⇒ **Significant reduction possible**

Driving power modules operating at high voltage and high frequency while ensuring high precision and reliability

Establishing the 'Advanced Power Electronics Technology Research Institute' in July 2025 to accelerate next-generation product development by integrating Chemicals and Electronic Components

Gate Driver Module Expansion Strategy



With the evolution of next-generation power semiconductors, market and business opportunities are expanding (e.g., wind power, solar power, energy storage, and power transmission & distribution)

Entered the market through collaboration and co-creation with multiple domestic and international power semiconductor manufacturers (e.g., technical collaboration during product development, joint development of inverter stacks for sales expansion)

*PCIM:PCIM Europe held in Germany in May 2025

Promoting Structural Improvement

- ◆ Streamline and optimize existing areas of core businesses and non-core businesses, and concentrate management resources on core businesses and key markets

Improving capital efficiency

Optimizing Business Location Strategy

Restructuring of China Production Sites

Strengthening Southeast Asia Production System (including outsourcing)

Starting Production of Module Products in Japan

*Adaptively reviewing production and sales locations in response to environmental changes

Optimizing Inventory Levels and Inventory Turnover Days

Inventory Compression at China Sites

Achieving Pre-COVID Inventory Turnover Days

Improved profitability

Optimizing Non-core Business

Business Structure Review

- Business succession to third parties
- Product mix optimization
- Exploration of new business domains, etc.

Optimizing Income & Costs

Price Optimization or Withdrawal from Low-Profit Products

Review of Human Resources Allocation

Cost Reduction through Production Efficiency Improvements (e.g., construction of new production facility at Sayama site, transfer of solder powder production process)



ROIC Improvement

Improve Profitability

ROE $\geq 8\%$

Group Financial Target

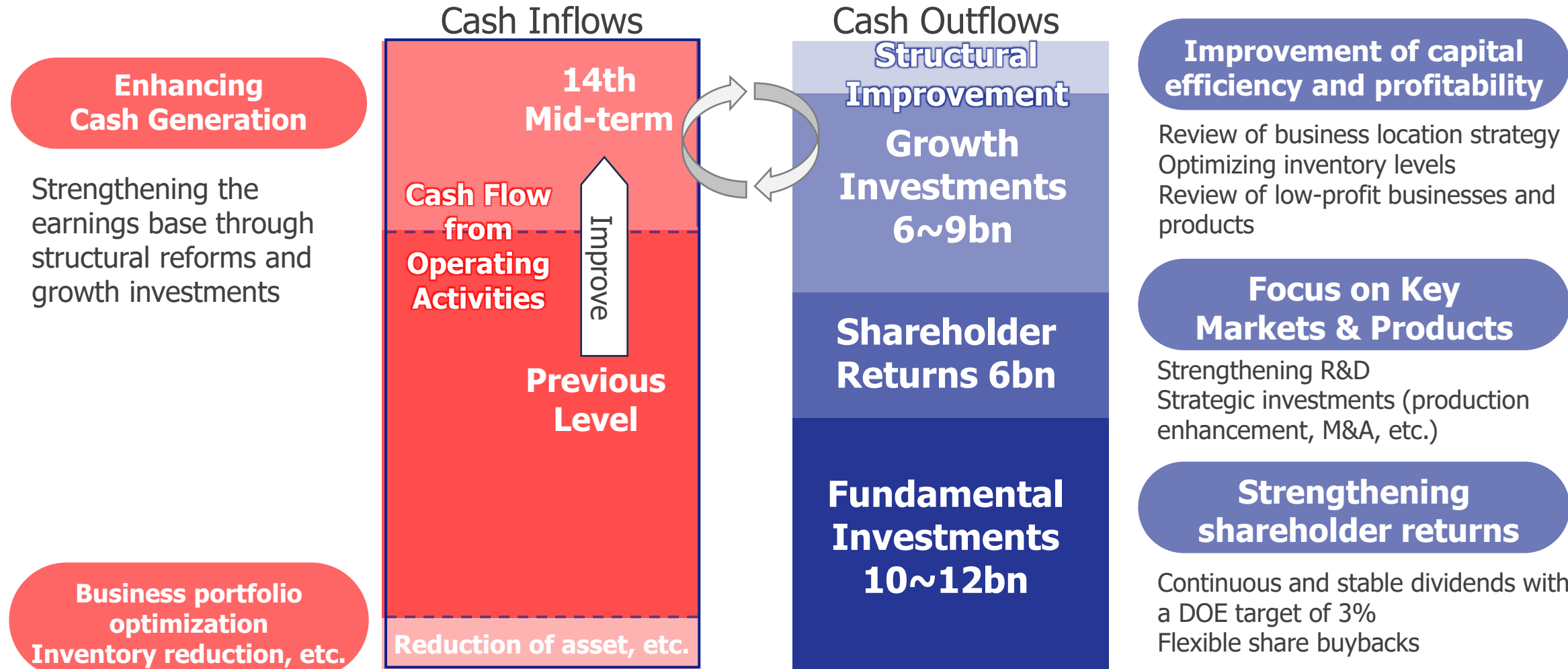
- ◆ To transform into a structure that consistently enables the allocation of management resources to key focus areas, with ROE positioned as the most important KPI

		The 14 th Medium-term Management Plan	Vision
	FY2024 Result	FY2027 Target	FY2030
Capital Efficiency			
ROE	4.6%	≥8%	≥12%
(Guideline) ROIC	4.8%	≥6%	≥8%
Improving Profitability			
Operating Profit %	4.6%	≥7%	≥10%
(Guideline) Sales	JPY 114bn		≥JPY 150bn
(Guideline) PBR	0.6	≥1.0	
(Guideline) Shareholder Returns 【DOE】	2.1%		≥3%

Enhancing corporate value through growth foundation development and structural reform

Cash Allocation (3-Year Total)

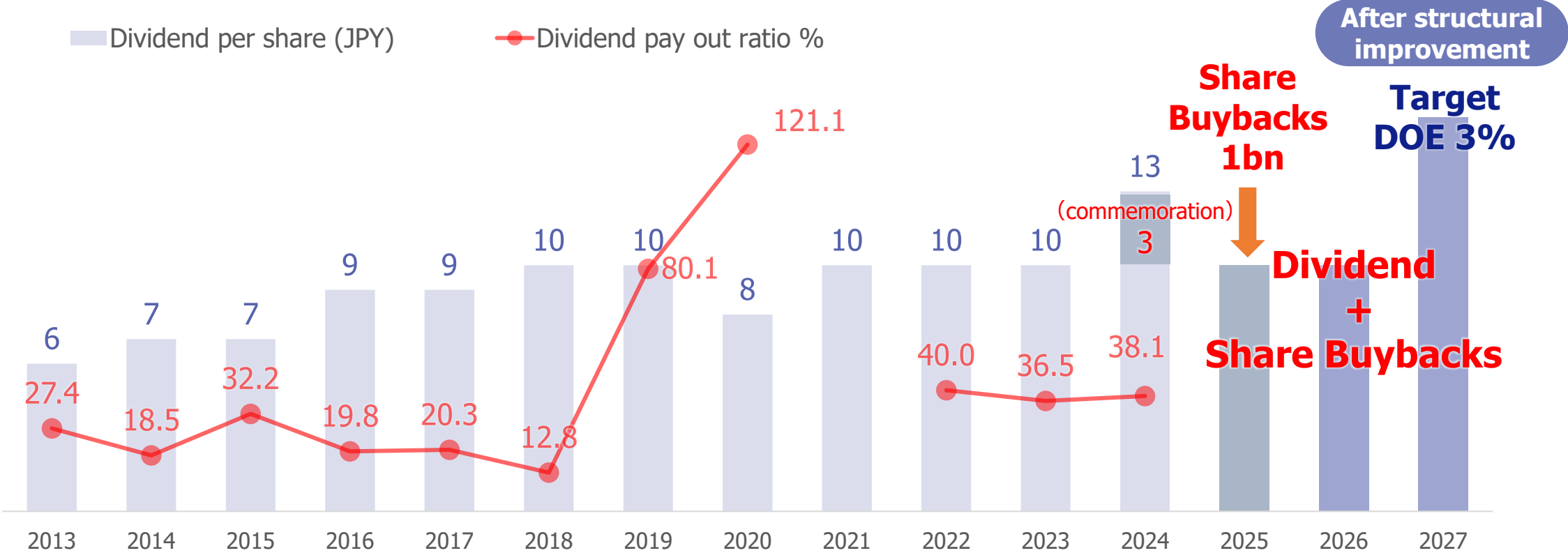
- ◆ Enhancing cash generation through structural improvements. Further increasing corporate value through focused investments and enhanced shareholder returns



Shareholder Returns

- ◆ Dividend Policy: Strive to maintain and improve dividend stability, ensuring that annual dividends do not fall below the previous fiscal year's level
- ◆ Target: Shareholder returns with a dividend on equity (DOE) ratio of 3%, with ensuring financial soundness
- ◆ Flexible share buybacks : In FY2025, the total amount of buybacks will be 1 billion yen (maximum) and the number of shares to be purchased will be 3.5 million shares (maximum)

Basic Policy : Stabilization and improvement of dividend levels



Sustainability Strategy

- ◆ Materiality revised to better align with changes in the social environment and management strategy.
Promoting sustainability initiatives based on materiality.
- ◆ Enhancing corporate governance and risk management to strengthen the foundation for growth.

Materiality

Major Category	Subcategory	KPI	Target for FY2027	Measures
Promoting Growth Strategy	Contributing to the realization of a decarbonized society	GHG (Scope 1&2) Reduction Rate	Reduction of 25% or more*	Promotion of energy-saving measures Promotion of renewable energy procurement
		Renewable Energy Procurement Ratio	35% or more	Promotion of renewable energy procurement Introduction of solar power generation equipment
		Ratio of Sales in Key Markets	36%	Capture of European and the Americas energy-related markets Expansion of product lineup
	Pursuit of job satisfaction	Global Engagement Score	3pt / year	Further penetration of psychological safety Fostering human resources capable of demonstrating leadership Instillation of corporate purpose and personalization of employees
Strengthening Management Foundation	Strengthening Corporate Governance	Evaluation of the effectiveness of the Board of Directors Continuous Implementation	Improved Effectiveness (Qualitative Assessment)	Improvement of Board of Directors operations, including DX Promoting the delegation of authority to executive and enhancing discussions on medium- to long-term corporate value
		For Group Managers Compliance Training Participation Rate	100%	Formulation and dissemination of compliance policy Expansion of compliance education and improvement of content
	Strengthening company-wide risk management	Stable PDCA by the Risk Management Committee	Improved Execution	Expansion of covered risks
		Information Disclosure	Enhancement of Risk Disclosure	Enhancement of risk disclosure in reporting/integrated reports
	Fostering a culture that emphasizes quality	Customer Satisfaction	YoY Improvement	Promotion of departmental measures Improving the knowledge and awareness of group employees

Corporate Governance, Compliance, and Risk Management

- ◆ Strengthening governance and risk management to drive corporate culture reform.
Focusing on regaining trust and improving corporate value

Issue discovered in FY2024*

Facts & Events

- Implementing an internal rule to record inventory valuation losses according to holding periods.
- Internal rule violations identified at two consolidated subsidiaries in China
- Corrections, including past records, were made in the second quarter of FY2025

Recurrence Prevention Measures

- Strengthen subsidiary management systems
- Strengthening internal control of two consolidated subsidiaries in China
- Expansion and dissemination of the internal reporting system, etc.

*Reference:
[Notice Regarding Receipt of Investigation Report from External Investigation Team](#)
[Notice Regarding Progress of Recurrence Prevention Measures](#)

Initiatives in the 14th Medium-term Management Plan

Governance

- Strengthening governance through continuous evaluation of the effectiveness of the Board of Directors
- Establishment of an overseas subsidiary management organization
- Further delegation of authority to execution and enhancement of discussions on medium- to long-term corporate value
- Reduction of the number of directors and transition to a monitoring board

	FY2024		FY2025 Plan*
Number of Directors	10	⇒	7
Percentage of Outside Directors	40%	⇒	57%

*After the election of the General Meeting of Shareholders in June 2025

Compliance

- Clarification and dissemination of top management commitments
- Expanded accounting and compliance education
- Promote the global penetration of the internal reporting system

Risk Management

- Improving the effectiveness of risk management and enhancing information disclosure

Caution Concerning Forward-looking Statement

The forward-looking statements, including the financial results forecast shown in this document, are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. As such, they do not constitute guarantees by the Company of future performance.

Corporate Communications
TAMURA CORPORATION

