

TAMURA CORPORATION

Overview of the 14th Medium-term Management Plan FY2026/3~FY2028/3

*The details of the 14th Medium-Term
Management Plan will be announced at the
financial results briefing scheduled for May.

SUSTAINABLE
DEVELOPMENT GOALS

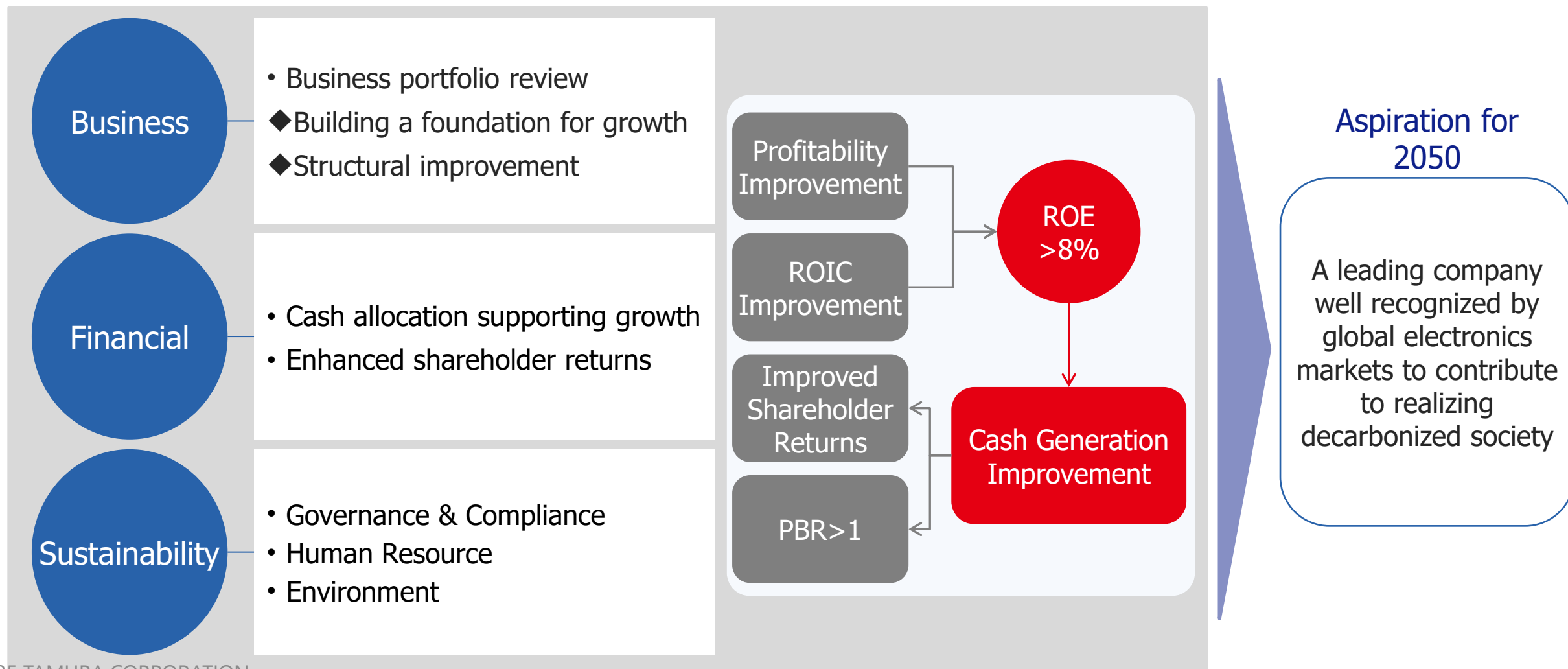
February 2025

Notice: This document is a translation of the original Japanese document and is provided for reference purposes only. In the event of any discrepancy between this translated document and the original Japanese document, the original Japanese version shall prevail.



Overview of the 14th Medium-term Management Plan FY2026/3~FY2028/3

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



Business Strategy under the 14th Medium-term Management Plan

- ◆ Implementing early structural improvements and building a foundation for growth, while reviewing the business portfolio in aspiration for 2050

Reviewing the Business Portfolio

Early
Structural
Improvement

Grow with the market opportunities from the decarbonized society, including potential M&A

- Key Markets: Clean Energy-related such as Power Infrastructure, Industry, Mobility, and Next-generation Communications
- Key Products: Next-generation Power Electronics-related products
- Key Regions: Europe and the Americas

Building
a Foundation

Achieving early results through swift execution

- Improving capital efficiency (ROIC)
 - Optimizing inventory levels and inventory turnover days
 - Reducing China dependency and reviewing business locations
- Improved profitability
 - Reviewing low-margin businesses and products
 - Reducing fixed costs

Leveraging a resilient business structure to swiftly seize market opportunities and drive strong growth

Key Markets & Products

- ◆ Advancing the development and launch of products to meet the evolving market driven by next-generation power semiconductors

Achieving Decarbonized Society

Key Markets

Clean Energy

Power
Infrastructure

Industry

Mobility

Next-generation
Communication

Renewable Energy /
Power Transmission & Distribution / Inverters /
Data Centers / Devices & IoT Equipment

Key Products

Next-generation Power Electronics

Magnetic
Passive Devices

High-
performance
Modules

Electronic
Chemicals

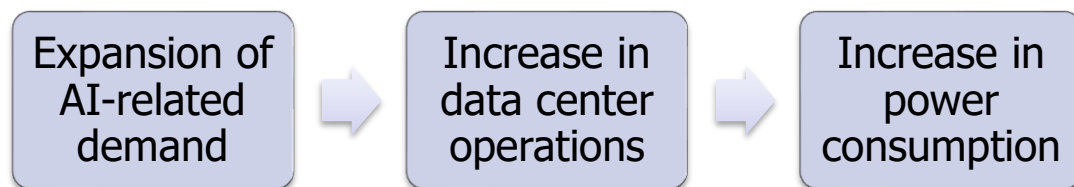
Large Transformers & Reactors /
High-frequency Transformers & Reactors /
High-voltage Gate Drivers / High-capacity Current Sensors /
Power Electronics-related Chemicals /
Advanced Semiconductor Chemicals

Next-generation
Power Semiconductor

Expansion of the Data Center Market

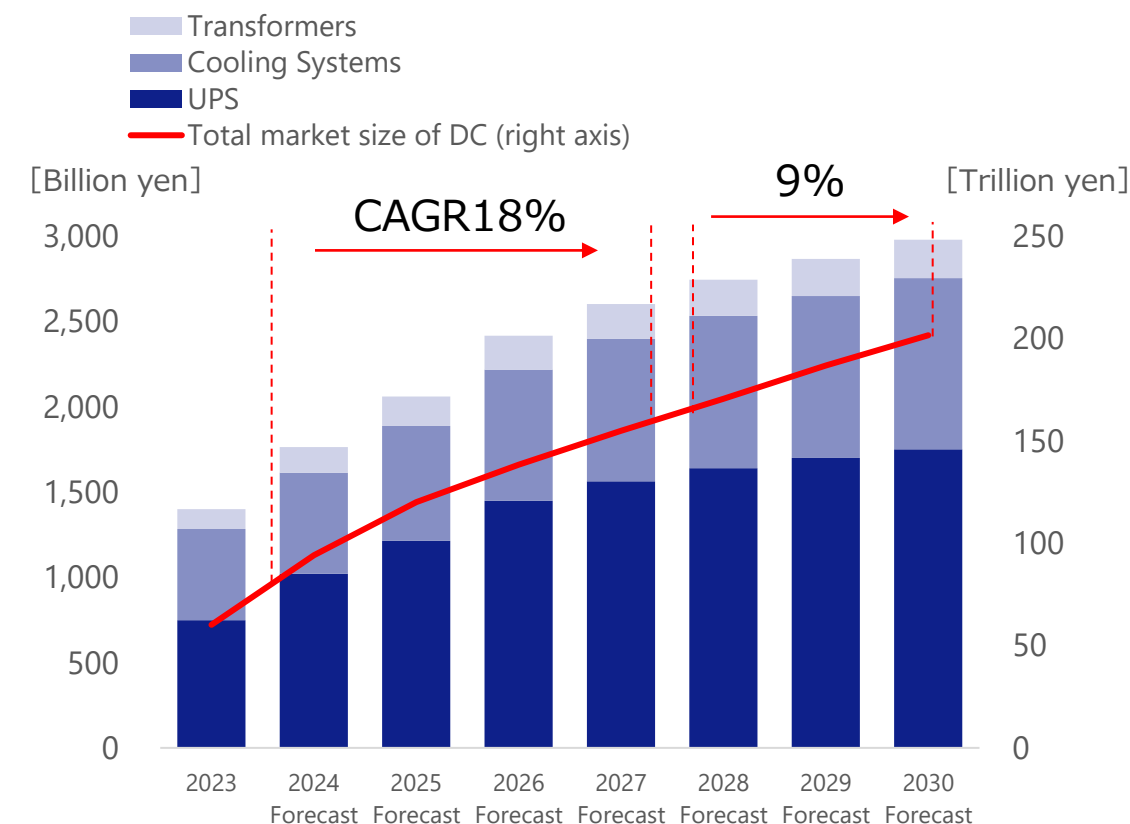
- ◆ With the growing demand for AI, the data center market is expected to expand rapidly

Changes in the market environment



- The number of PDUs and UPS units, determined based on data center power consumption, is on the rise
- To prevent server overheating, cooling systems (HVAC) are becoming more high-performance and larger, expanding the market for peripheral devices
- The market is expected to achieve a high CAGR:
 - 2024-2027: 18%
 - 2028-2030: 9%

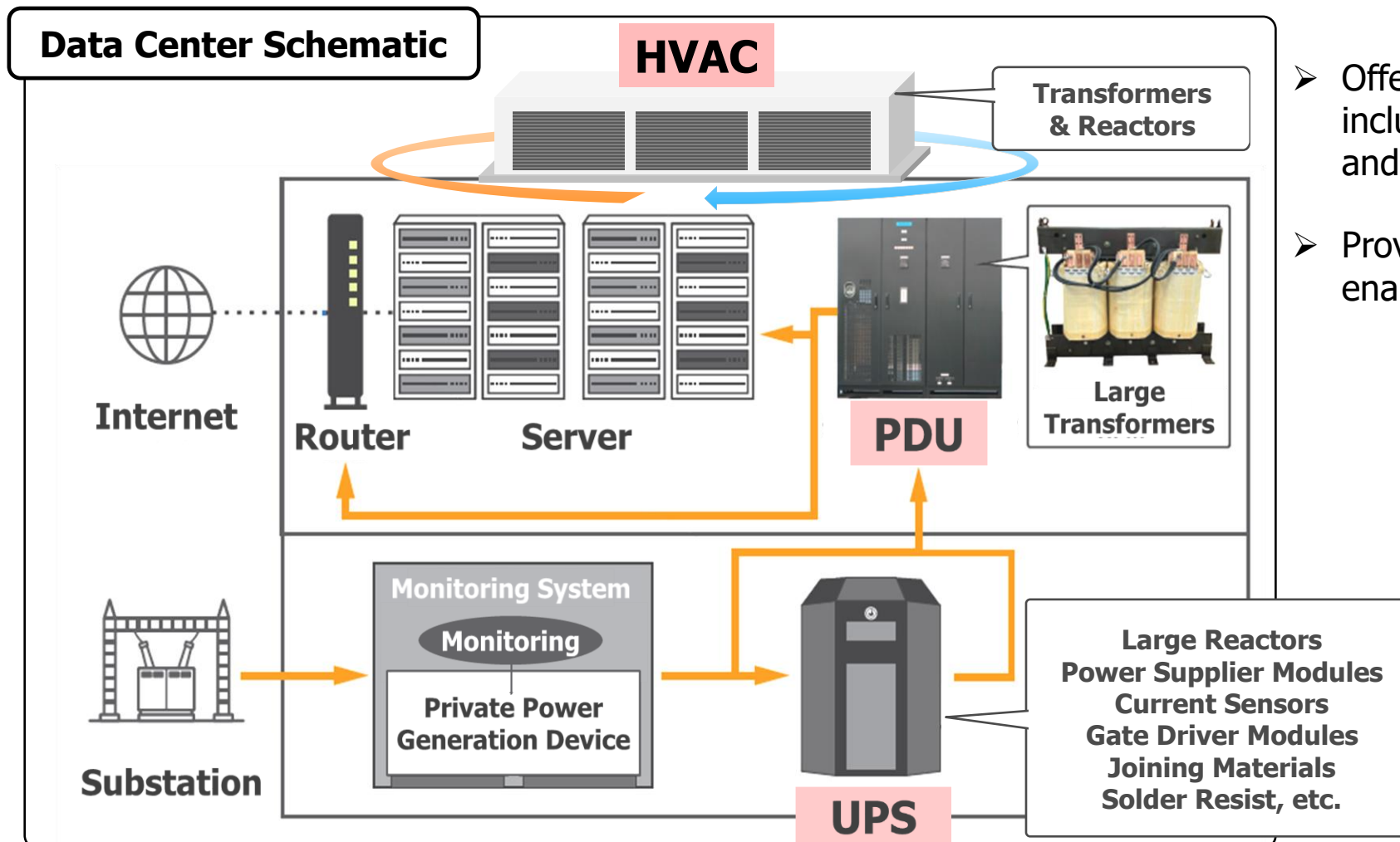
Data center market size forecast



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

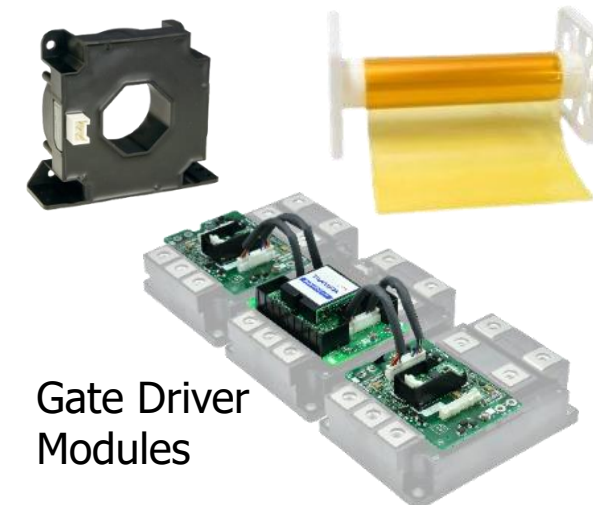
A Wide Range of Products for Data Center Equipment

- ◆ Able to provide total solutions for PDU, UPS, and HVAC for data centers



- Offering a diverse range of products, including large transformers for PDUs and large reactors for UPS
- Providing full lineup for HVAC, enabling total solutions

Current Sensors Solder Resist



Gate Driver Modules

Technical Expertise and Supply Network for Large Transformers & Reactors

- ◆ Differentiating through advanced technology cultivation in Europe and global supply network of 8 global factories

European Expertise × Track Record in the U.S.



Europe - Renewable Energy

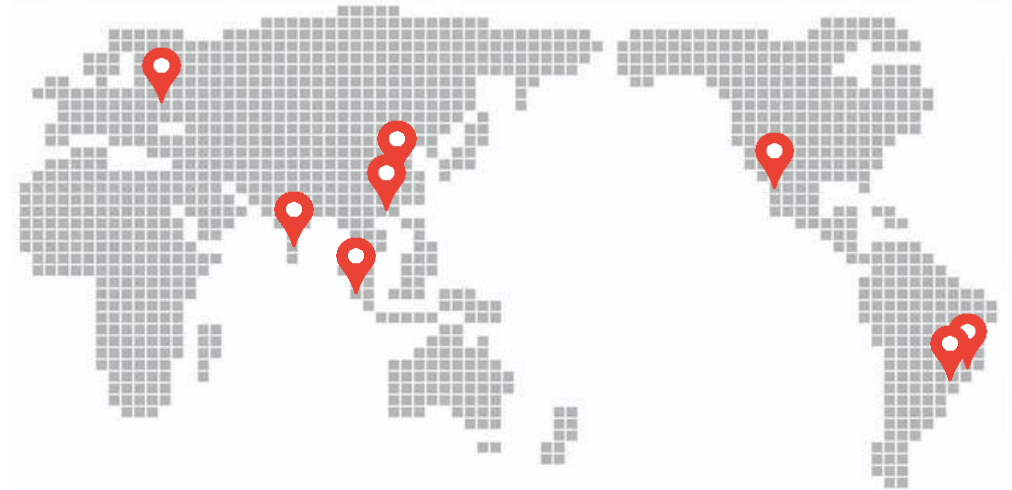
- Producing large reactors primarily for wind power inverters in Europe, leveraging European technology and honing advanced technical expertise



The U.S. - Data Centers

- Building on trust in Europe, secured contracts for U.S. data center projects from European clients
- Expanded market share in the U.S. with large reactors requiring high technical expertise

Global Supply Network with 8 Factories



- Supply from 8 factories across 6 countries: Mexico, China (2 factories), Brazil (2 factories), Malaysia, India, and the Czech Republic
- The production capacity at the Mexico factory will be further enhanced, with the second phase completed in 2024 and operations beginning in February 2025

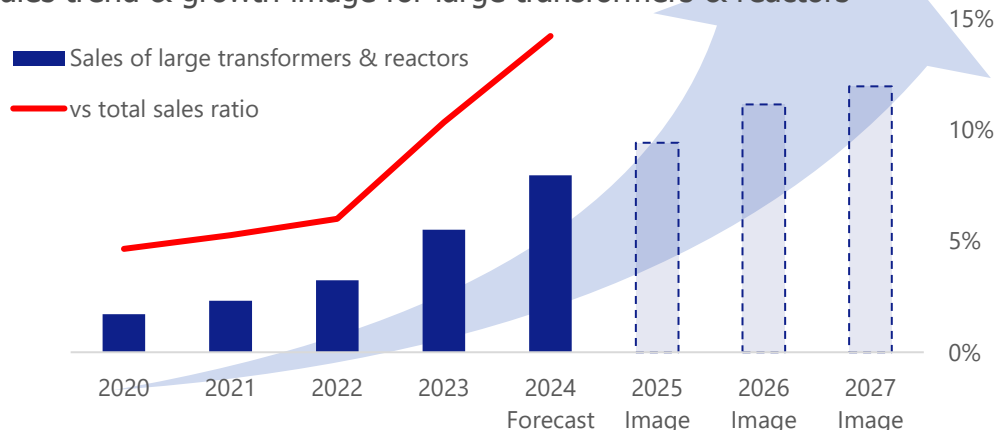
Growth Strategy for Data Center Business

- ◆ Leveraging success in the U.S. as a stepping stone for further market expansion and accelerated growth

Track Record and Growth Potential

- The sales of large transformers & reactors, key products for data centers, are expected to grow fivefold over the five years from 2020 to 2024
- Strong data center demand is projected to bring the U.S. market sales target for FY2027 forward to FY2025
- Growth momentum is expected to continue beyond 2025

Sales trend & growth image for large transformers & reactors



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

Growth Strategy for Data Centers



- Building on achievements in EU and the U.S., secured projects in Malaysia, planning to expand sales channels within ASEAN and Japan
- Aiming to enter the HVAC market by leveraging achievements and sales channels
- Utilize the global network to expand market share

**Achieving further growth
in the expanding data center market**

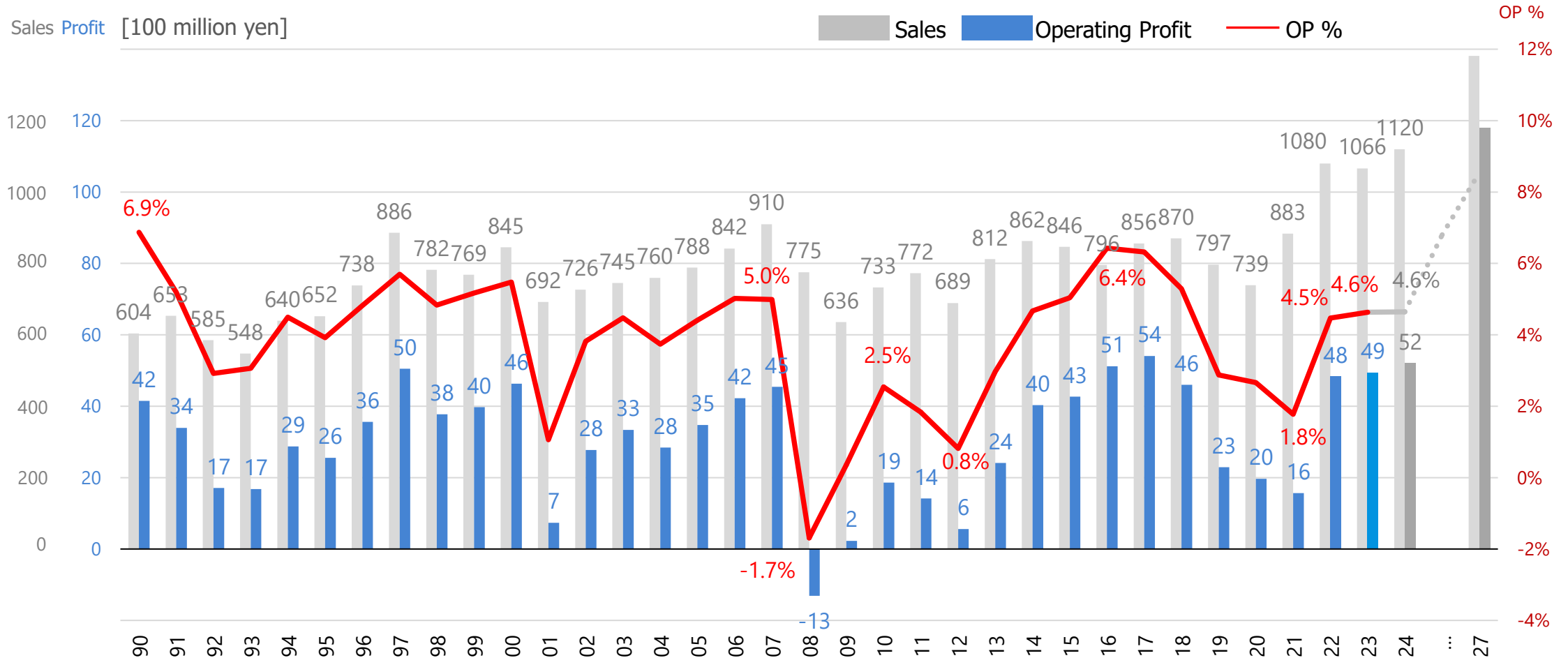
4. SUMMARY

Summary

- Aiming for a PBR above 1x through integrated ROE improvement across business, sustainability and financial strategies
- Implementing early structural improvements and building a foundation for growth, while reviewing the business portfolio in aspiration for 2050
- Focusing on the clean energy market, aim to create Next-generation Magnetic Passive Devices, High-performance Modules, and Next-generation Power Electronics-related Electronic Chemicals, with Next-Generation Power Semiconductors as the key.
- With a diverse product range, advance total solution sales for each piece of equipment in data centers and aim to expand business in the growing data center market, particularly in the United States.

【APPENDIX】REFERENCE

Sales and Operating Profit



1992
Bubble collapse

2001
IT Bubble collapse

2008
Lehman shock

2011
Great East Japan
Earthquake

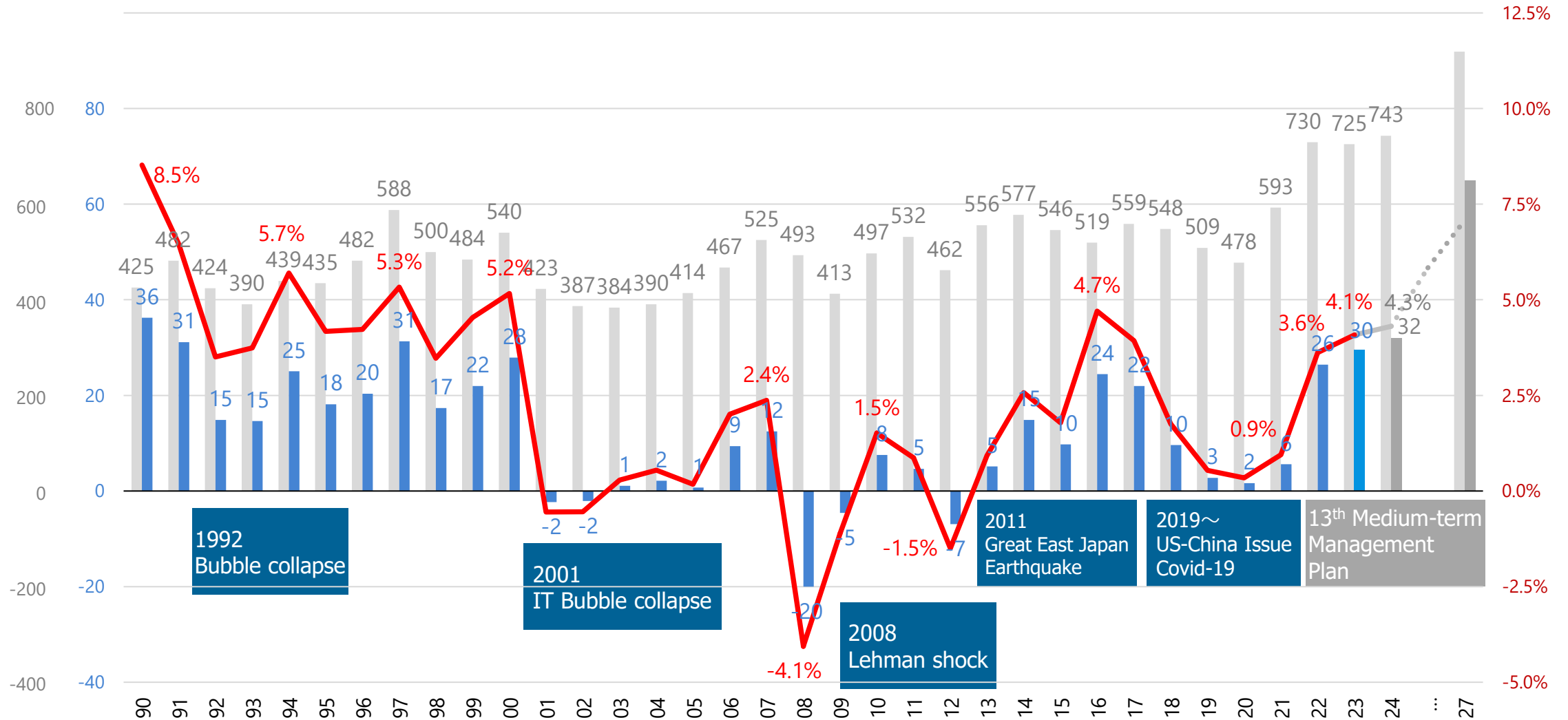
2019~
US-China Issue
Covid-19

13th Medium-term
Management
Plan

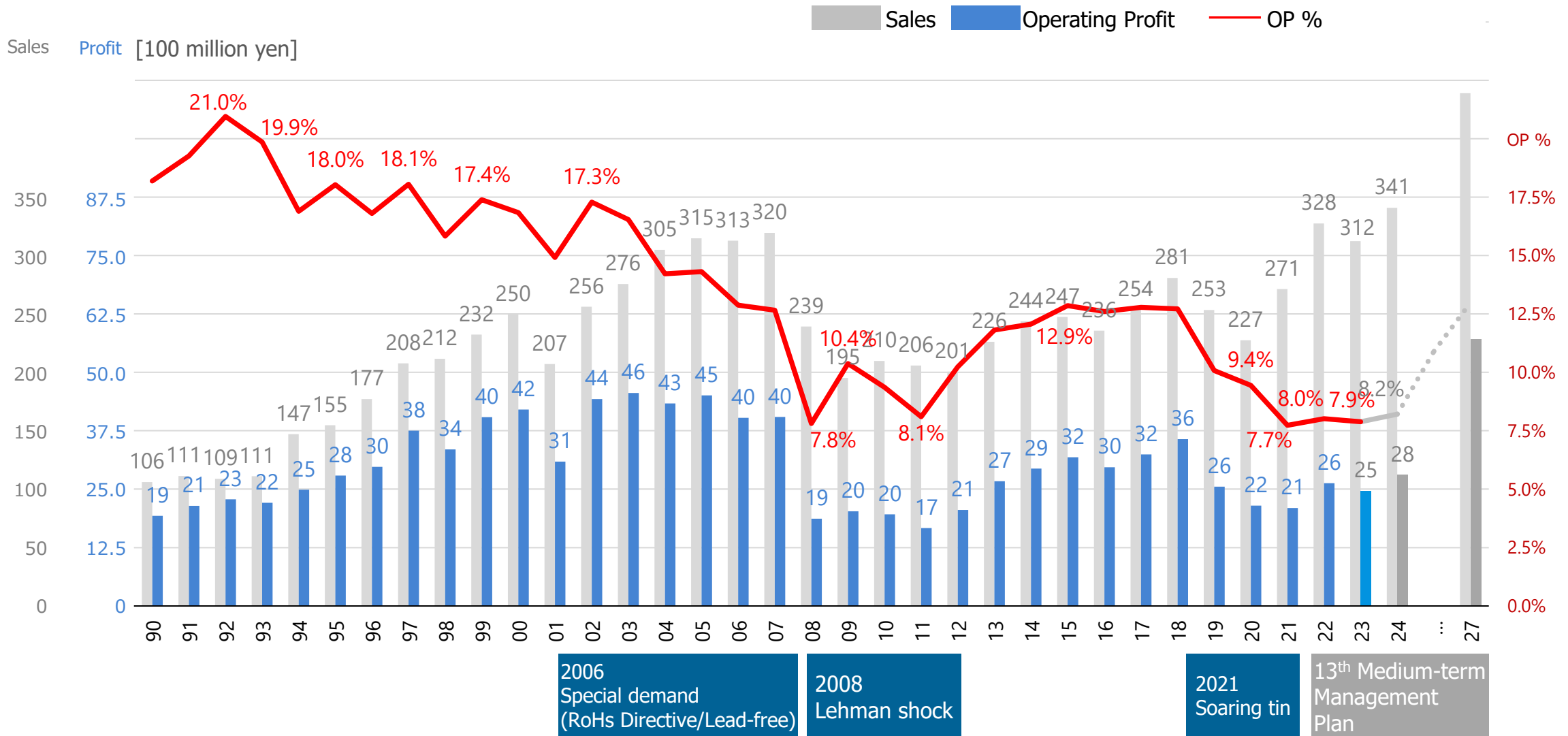
Electronic Components: Sales and Operating Profit

Sales Profit [100 million yen]

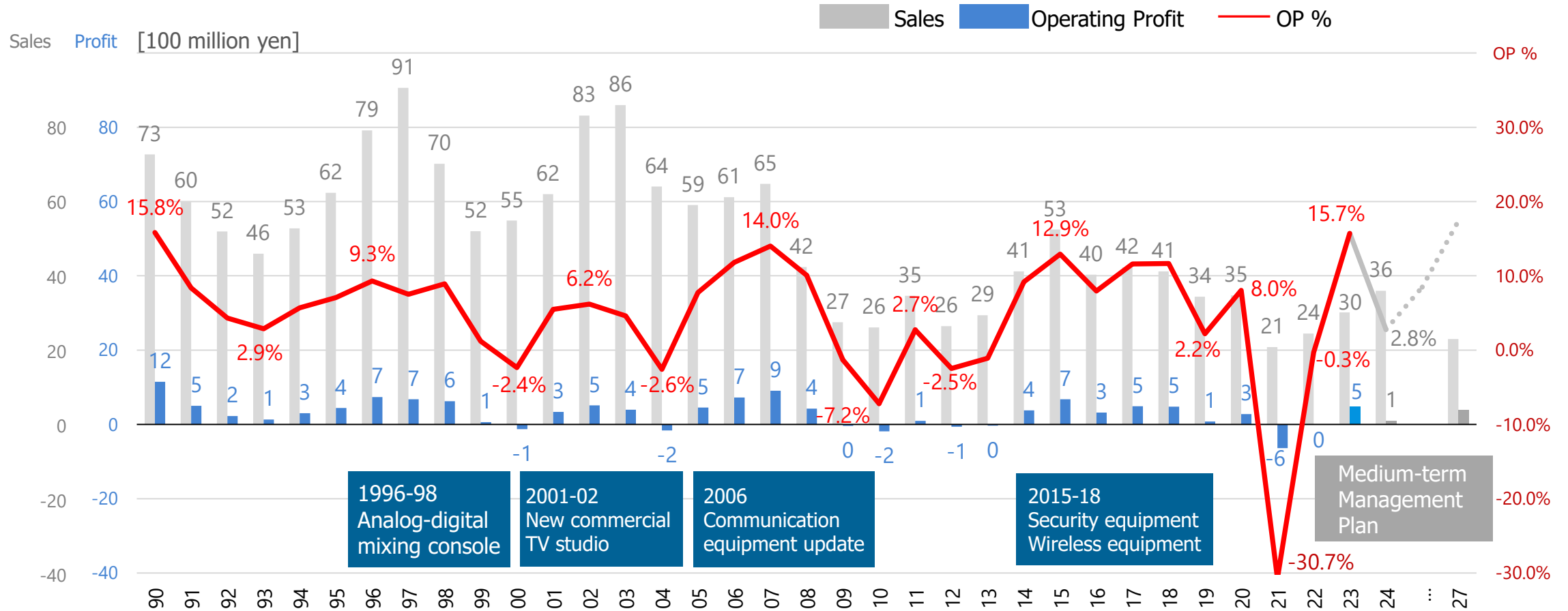
Sales Operating Profit OP %



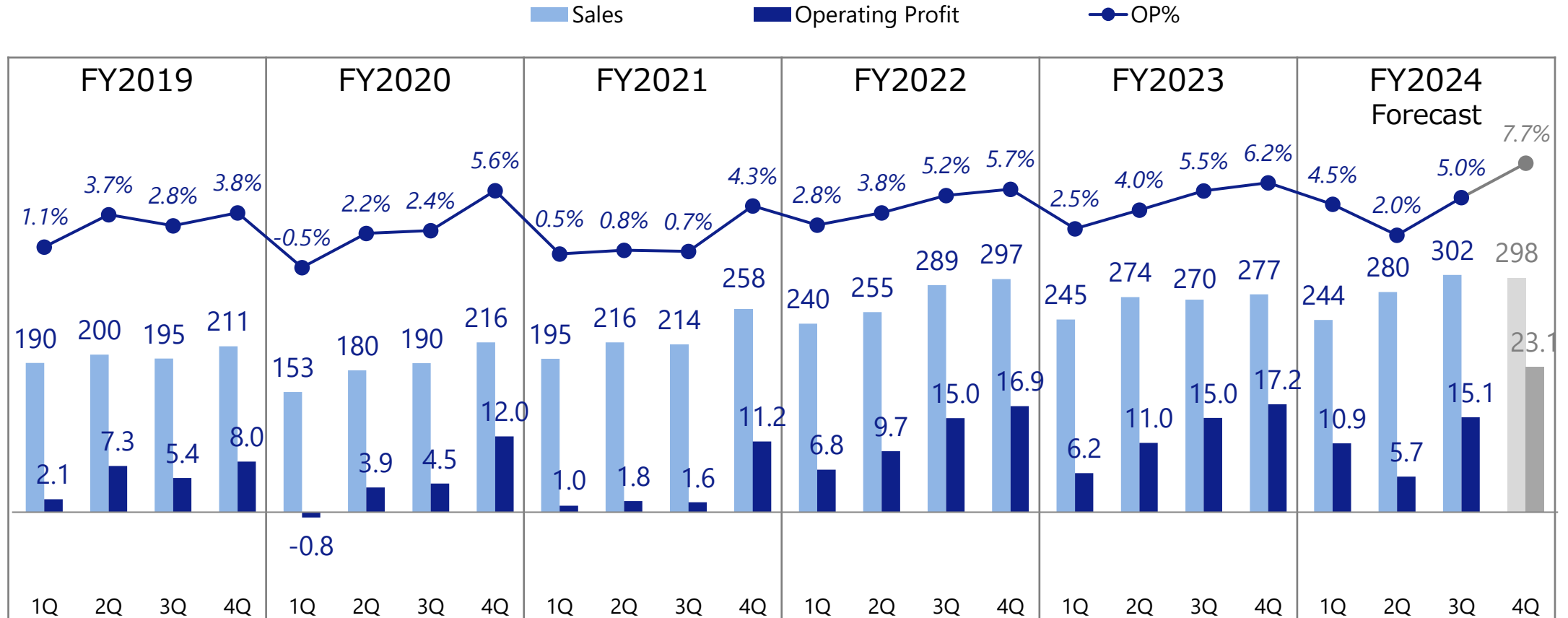
Electronic Chemicals & FA systems: Sales and Operating Profit



Information Equipment: Sales and Operating Profit



Sales & Profit Quarterly Trend

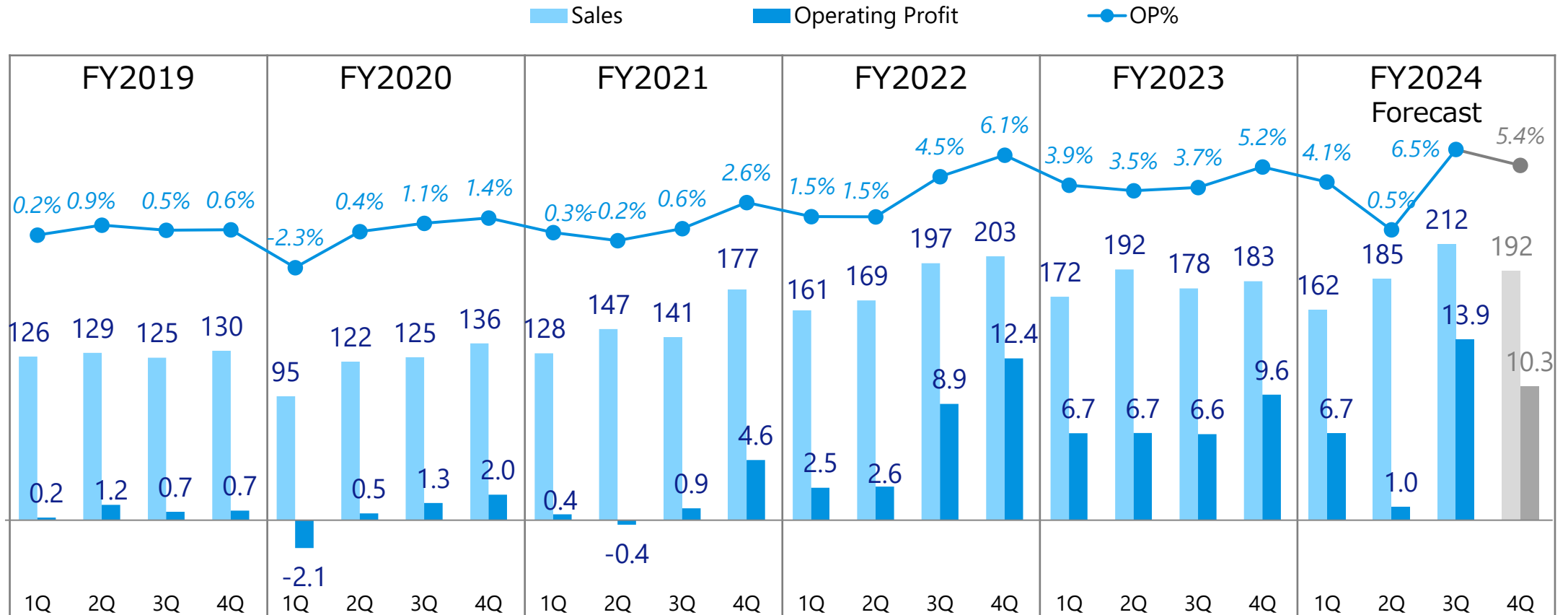


[100 million yen]

	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H*
Sales	390	406	333	406	411	472	494	585	519	548	525	595
Operating profit	9.4	13.5	3.1	16.6	2.8	12.8	16.5	31.8	17.2	32.2	16.6	35.4
OP %	2.4%	3.3%	0.9%	4.1%	0.7%	2.7%	3.3%	5.4%	3.3%	5.9%	3.2%	5.9%

*The 4Q forecast in the FY24 graph has not been revised.
Therefore, the sum of 3Q and 4Q in the graph does not match the second-half figures in the table.

Quarterly Forecast of Sales & Profit by Electronic Components



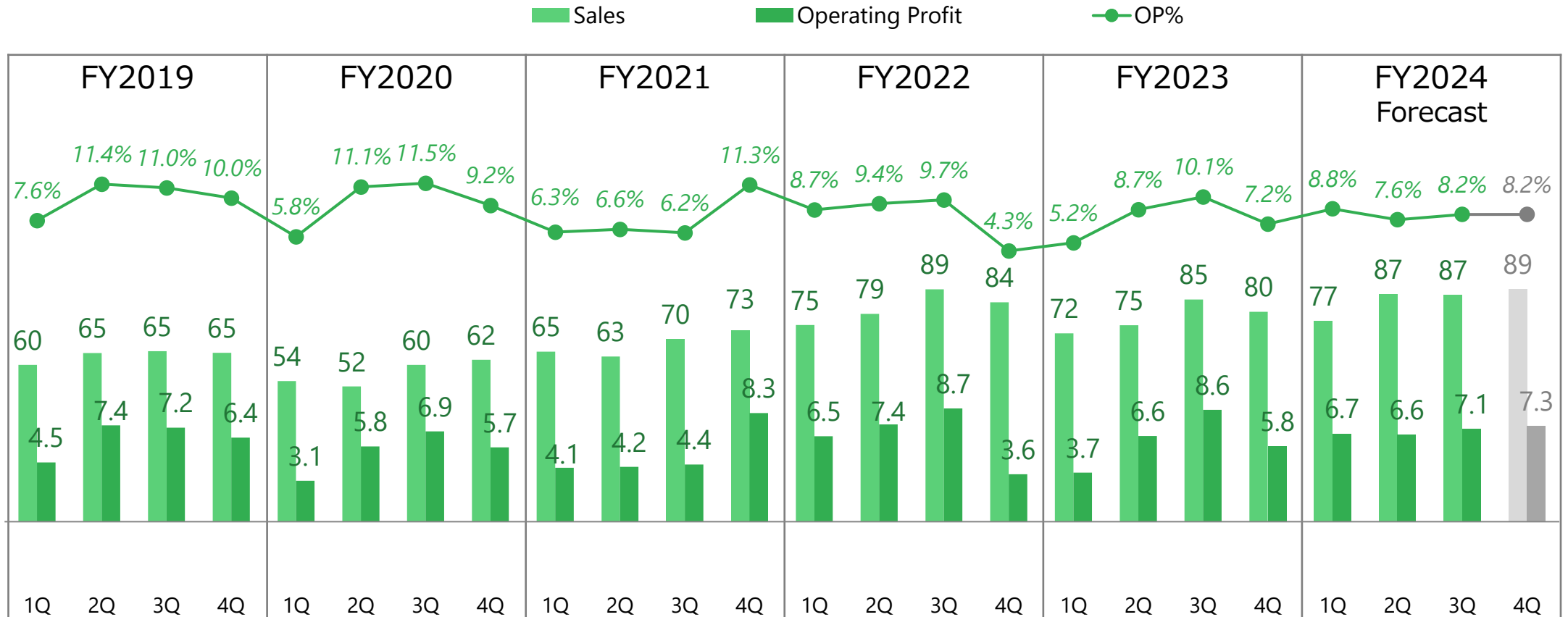
[100 million yen]

	FY2019		FY2020		FY2021		FY2022		FY2023		FY2024 Forecast	
	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H
Sales	254	255	217	261	275	318	330	400	364	361	347	396
Operating profit	1.4	1.4	-1.6	3.3	0.1	5.5	5.1	21.3	13.4	16.2	7.7	24.3
OP %	0.5%	0.5%	-0.7%	1.3%	0.0%	1.7%	1.5%	5.3%	3.7%	4.5%	2.2%	6.1%

*The 4Q forecast in the FY24 graph has not been revised.

Therefore, the sum of 3Q and 4Q in the graph does not match the second-half figures in the table.

Quarterly Forecast of Sales & Profit by Electronic Chemicals & Soldering Systems

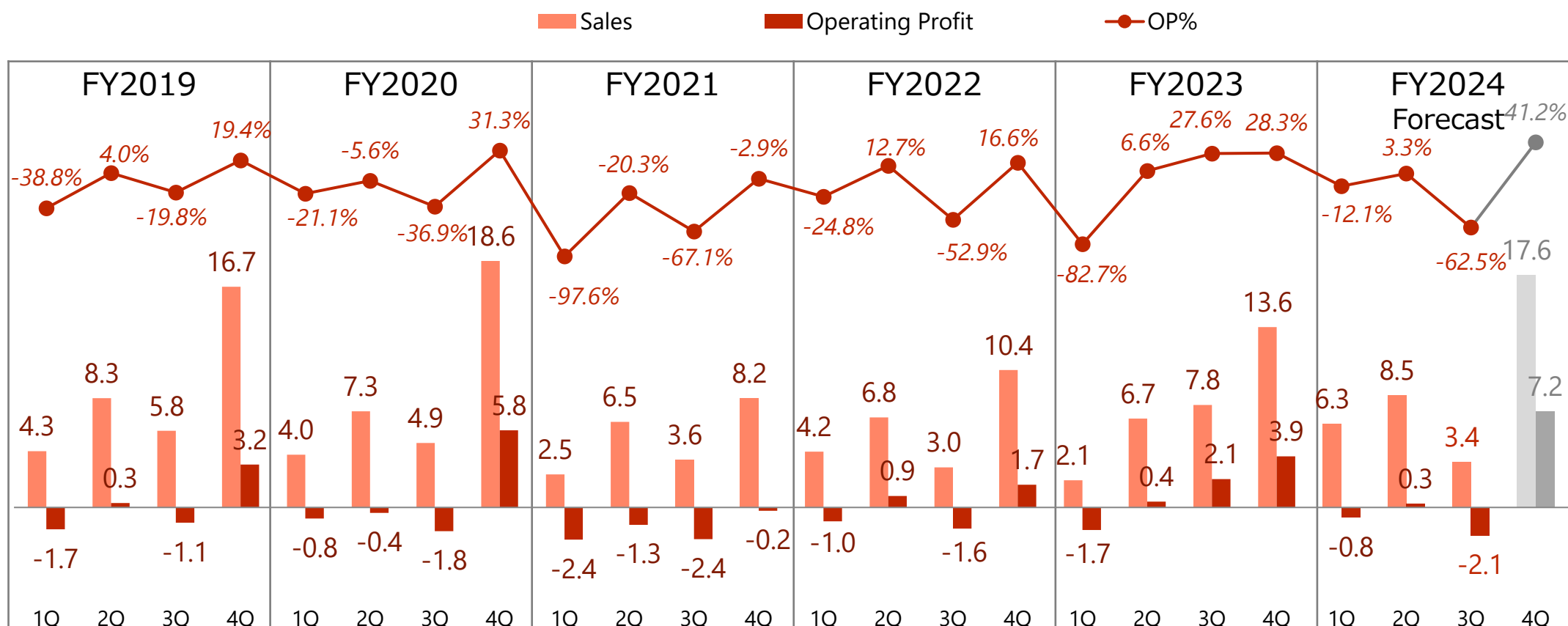


[100 million yen]

	FY2019		FY2020		FY2021		FY2022		FY2023		FY2024 Forecast	
	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H
Sales	125	130	106	122	128	143	155	173	147	165	164	177
Operating profit	11.9	13.6	8.9	12.6	8.3	12.7	14.0	12.3	10.3	14.3	13.4	14.6
OP %	9.6%	10.5%	8.4%	10.3%	6.5%	8.9%	9.0%	7.1%	7.0%	8.7%	8.2%	8.2%

*The 4Q forecast in the FY24 graph has not been revised.
Therefore, the sum of 3Q and 4Q in the graph does not match the second-half figures in the table.

Quarterly Forecast of Sales & Profit by Information Equipment



[100 million yen]

	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H
Sales	12.5	22.5	11.3	23.5	9.0	11.8	11.0	13.4	8.8	21.4	14.8	21.2
Operating profit	-1.3	2.1	-1.2	4.0	-3.7	-2.6	-0.2	0.1	-1.3	6.0	-0.5	1.5
OP %	-10.6%	9.3%	-11.1%	17.2%	-41.8%	-22.4%	-1.6%	0.8%	-14.3%	28.1%	-3.3%	7.0%

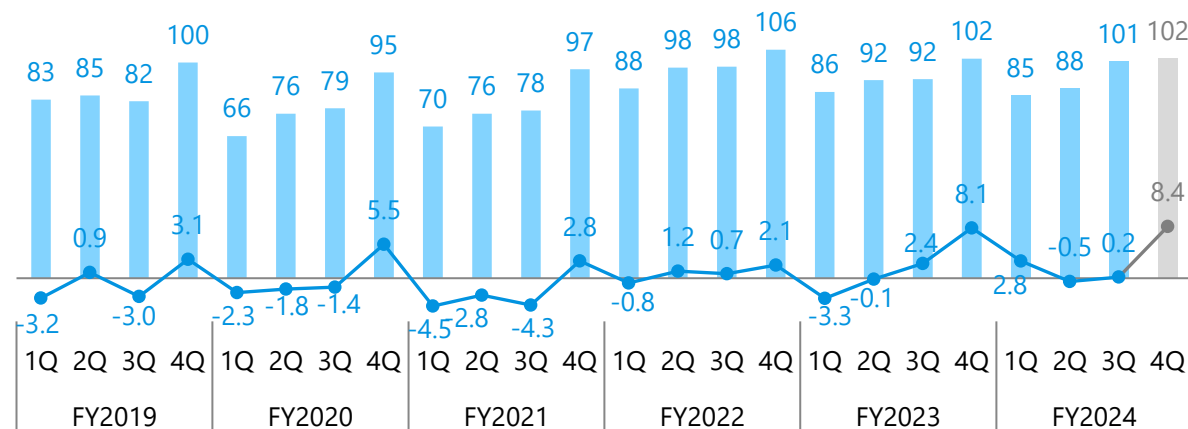
*The 4Q forecast in the FY24 graph has not been revised.
Therefore, the sum of 3Q and 4Q in the graph does not match the second-half figures in the table.

Quarterly Forecast of Sales & Profit by Area

■ Sales

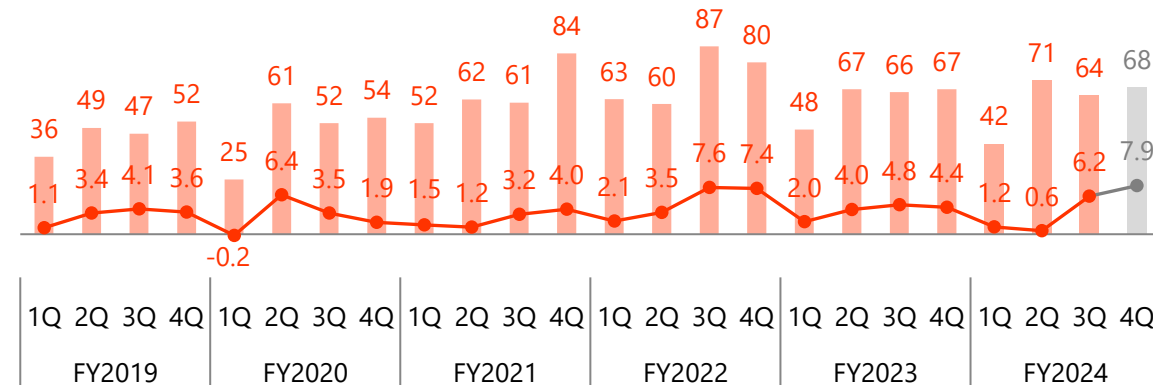
● Operating profit
[100 million yen]

Japan

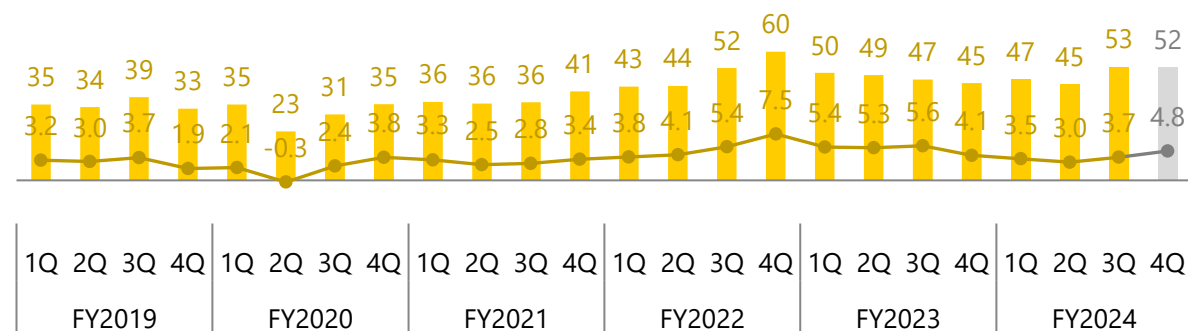


* Japan Operating Profit includes consolidation adjustments

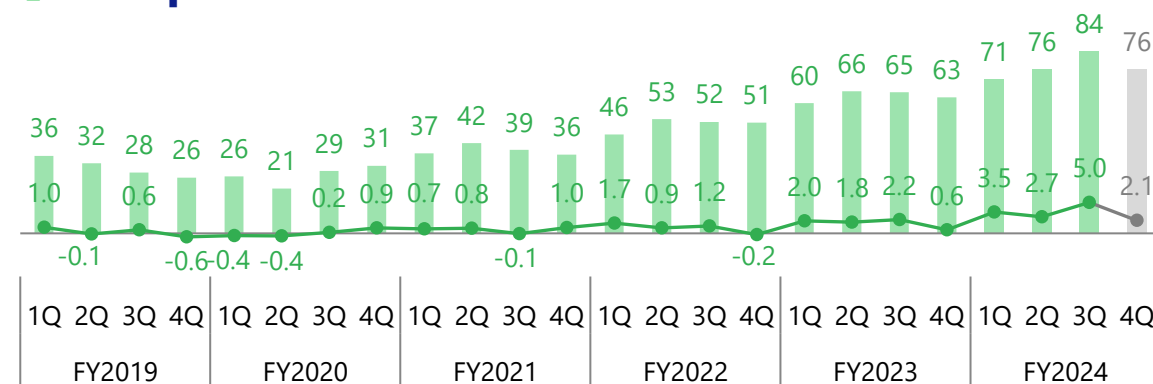
China



Rest of Asia



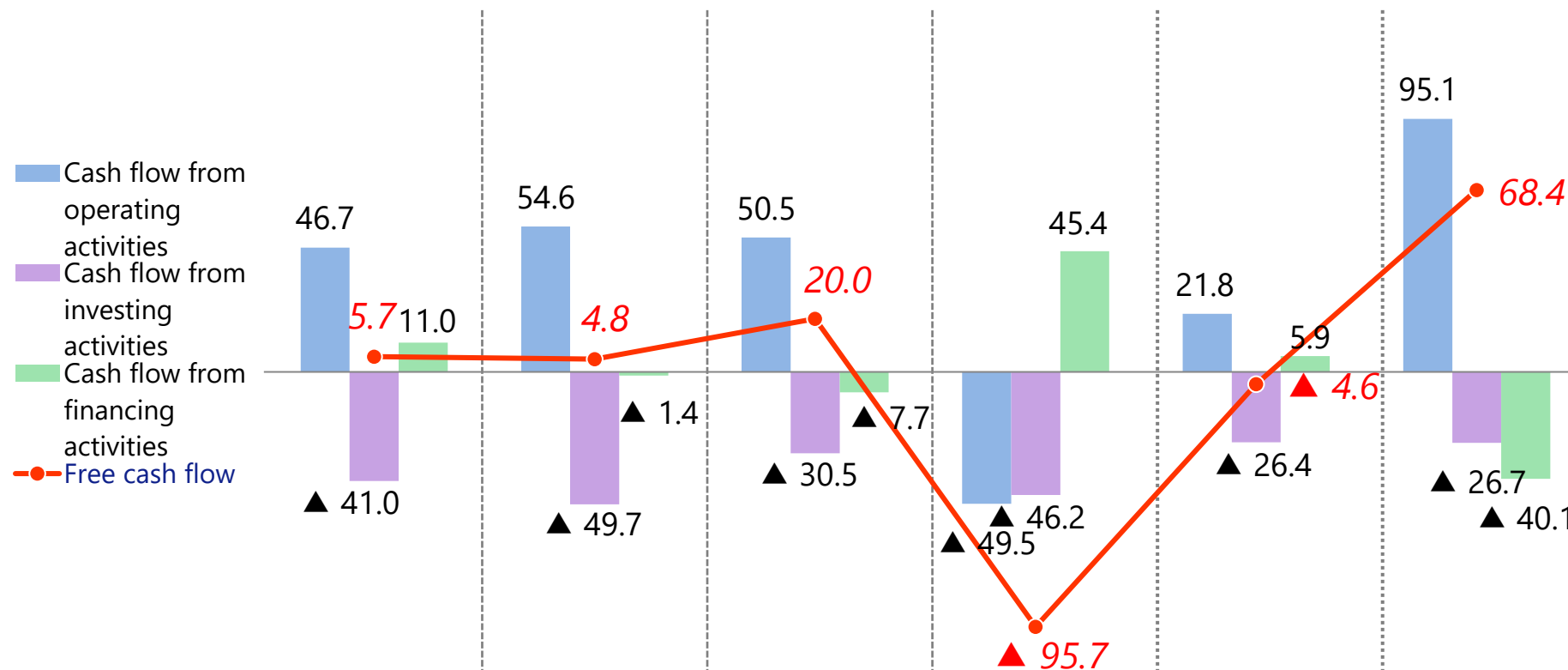
Europe and the Americas



* The 4Q forecast for FY24 has not been revised, so the total for FY24 does not match the full-year forecast.

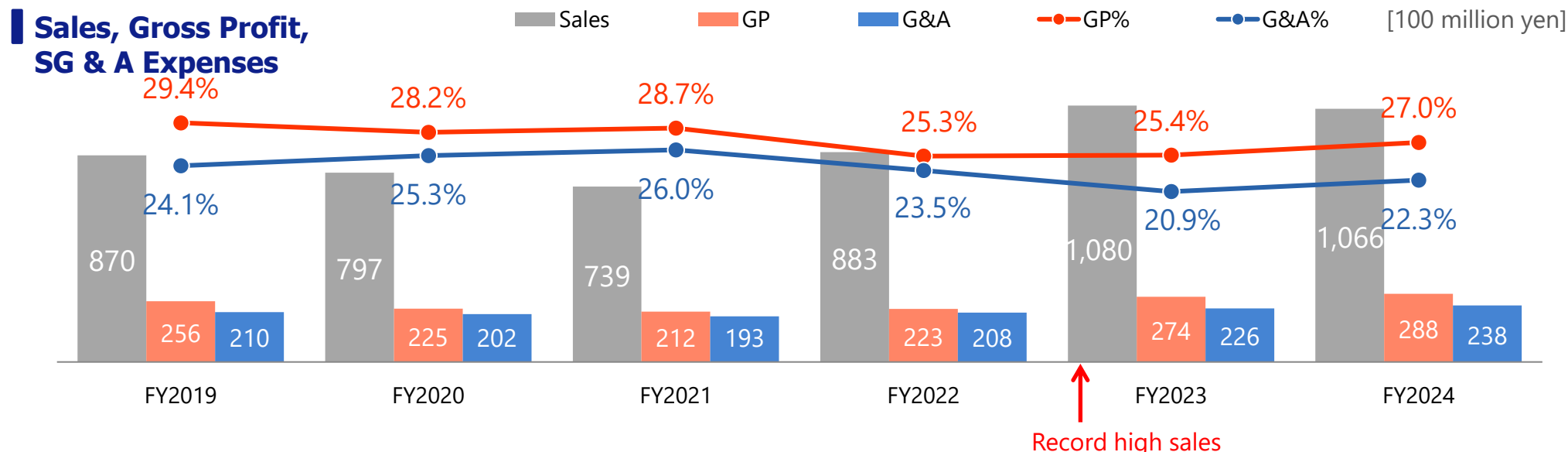
Cash Flow

[100 million yen]



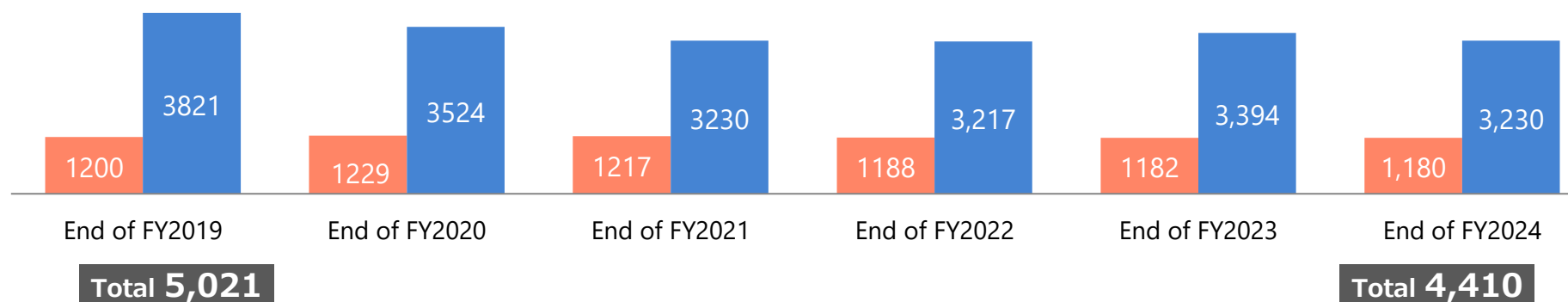
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Increase/decrease in cash and cash equivalents	12.4	2.7	10.7	▲43.0	7.3	33.7
End of financial year	158.4	161.1	171.9	128.9	136.2	169.9

Sales, Gross Profit, SG & A Expenses and the Number of Employees



Number of Employees

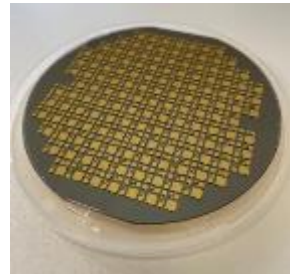
Legend: Japan (Orange bar), Over sea (Blue bar)



Contributing to Carbon Neutrality ~R&D of Gallium Oxide Power Semiconductors

- ◆ Novel Crystal Technology, Inc. (NCT), established independently from our R&D department, is advancing the R&D of gallium oxide (Ga_2O_3) power semiconductors, expected to contribute to carbon neutrality.

R&D of Gallium Oxide Power Semiconductors



Initiatives of TAMURA & NCT



- Provision of patented technology
- Technical & sales support
- Collaboration in peripheral products and materials



Novel Crystal Technology, Inc.

- Developing, manufacturing & supplying $\beta\text{-Ga}_2\text{O}_3$ homo-epitaxial wafers & devices

- $\beta\text{-Ga}_2\text{O}_3$: New semiconductor material for power devices which has larger band-gap energy and low costs compared with SiC and GaN
- R&D Team: NCT, Tamura, the National Institute of Information and Communications Technology (NICT) in Japan & the Tokyo University of Agriculture and Technology are the core figures of the R&D team and lead the world in this field
- NCT: Non-consolidated affiliate of Tamura (approx. 40% stake) . Established in 2015 to actively bring in external capital and to speedily develop and promote commercialization with an independent management



[Home - Novel Crystal Technology, Inc.](https://www.novel-crystal.com/)

[Latest R&D Results of NCT]

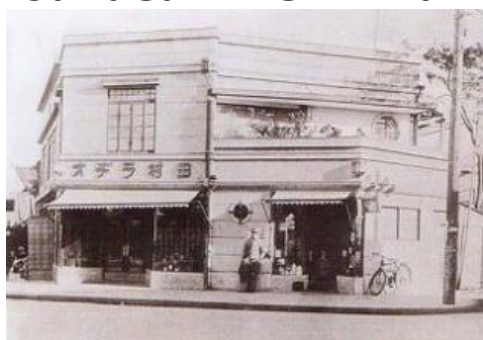
- September 2022: World's first inverted gallium oxide DI-MOS transistor
- December 2022: Developed Crystal defect imaging technology of gallium oxide power semiconductors
- April 2023: Operation succeed as 350W output power continuous current power factor correction circuit with gallium oxide Schottky barrier diodes for the first time in Japan
- December 2023 : World's first successful fabrication of 6-inch $\beta\text{-Ga}_2\text{O}_3$ crystals by the vertical Bridgman method.

Tamura's History

Tamura Corporation founded on May 11, 1924, and celebrates its 100th anniversary this year.

Starting manufacturing and sales of radios and electronic components at the time of its founding, Tamura Corporation now offers products and services that meet various market needs in three business areas: Electronic Components, Electronic Chemical / FA Systems, and Information Equipment.

Founded in 1924 Tamura Radio Store



Manufacturing and sales of **Radio and Phonographs**

Internal production of **Transformers**

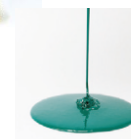
Pursuit of Transformers

Electronic
Components



Pursuit of
Soldering technology

Electronic
Chemicals/
FA Systems



Pursuit of
Audio & Communication
technology

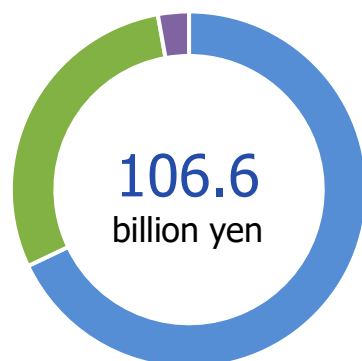
Information
Equipment





Business Domain

Sales by Business Segment



Electronic Components

Sales: 72.5 billion yen
Operating profit: 2.96 billion yen
OP%: 4.1%

Main products

Transformers
Reactors
Coils
Large transformers and reactors
Battery chargers
Power modules
Gate driver
Current sensors
LED-related products etc.



Transformers, coils and reactors, and large reactors

LED-related products for vending machines



Power modules, current sensors, and gate drivers



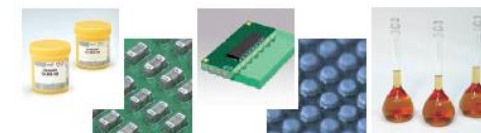
Security and IoT related products

Electronic Chemicals/FA Systems

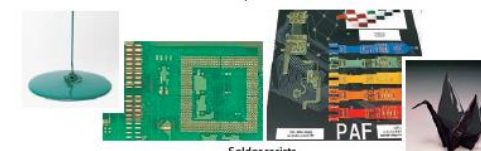
Sales: 31.2 billion yen
Operating profit: 2.46 billion yen
OP%: 7.9%

Main products

Solder paste
Flux
Solder resists
FA Systems etc.



Solder paste and flux



Solder resists

FA Systems

Information Equipment

Sales: 3.0 billion yen
Operating profit: 0.47 billion yen
OP%: 15.7%

Main products

Audio mixing console
Wireless intercom
Wireless microphone etc.



Audio mixing console for broadcast use

Wireless devices

(For the fiscal year ending March 2024)

Business Field



Tamura's Technologies Supporting Society, Industry, and Everyday Life

Tamura's products, including materials, components, and devices, support various industries and social infrastructure, ranging from everyday items like automobiles and electronics to manufacturing equipment, renewable energy sectors, and even space.

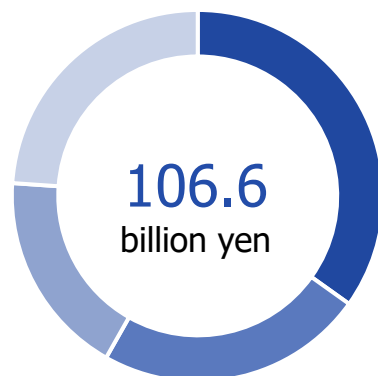


Regional overview



Sales by region

Employees by region



Japan

- Sales: 37.2 billion yen
- Employees: 1,180
- Factory: 5



China

- Sales: 24.9 billion yen
- Employees: 1,698
- Factory: 8



Rest of Asia

- Sales: 19.2 billion yen
- Employees: 974
- Factory: 5



Europe and the Americas

- Sales: 25.5 billion yen
- Employees: 558
- Factory: 3

For the fiscal year ending March 2024 and as of March 31, 2024

Global Network



**TAMURA EUROPE LIMITED.
O.S. (CZECH BRANCH)**



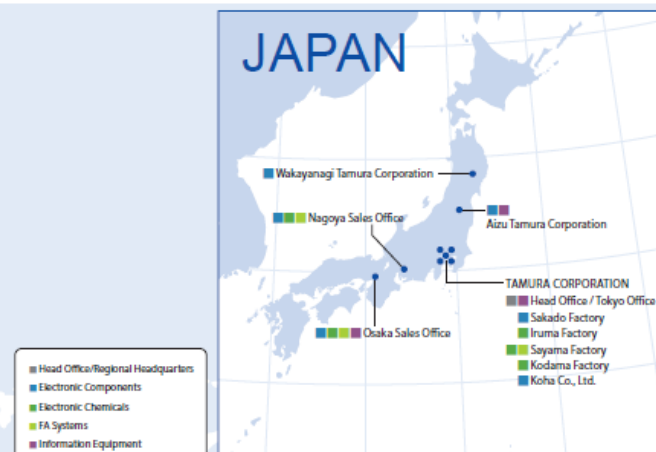
**TAMURA CORPORATION
(THAILAND) CO., LTD.**



OP-SEED CO., (BD) LTD.



**TAMURA CORPORATION
OF KOREA**



EUROPE

- Tamura Elsolid GmbH
- Tamura Europe Limited
- Tamura Magnetic Engineering S.R.L.

- Tamura Corporation of China Limited
- Shanghai Xiangle Tamura Electro Chemical Industry Co., Ltd.
- Tamura FA System (Suzhou) Co., Ltd.
- Tamura Electronics (Suzhou) Co., Ltd.

- Tamura Electronic Material (Tianjin) Co., Ltd.
- Hefei Eclree-Tamura Electric Co., Ltd.

- Op-Seed Co., (BD) Ltd.

- Earth Tamura Electronic (Myanmar) Co., Ltd.
- Tamura Ekomponks Technologies Pvt. Ltd.

- Tamura Corporation (Thailand) Co., Ltd.
- Tamura Electronics (M) Sdn. Bhd.
- Tamura Kaken (M) Sdn. Bhd.

ASIA

- Tamura Corporation Vietnam Co., Ltd.
- Tamura Corporation Singapore Pte. Ltd.

- Tamura Chemical Korea Co., Ltd.
- Tamura Corporation of Korea
- Taiwan Tamura Technology Co., Ltd.
- Tamura Corporation of Hong Kong Limited
- Tamura Kaken (Dongguan) Ltd.
- Tamura Electronics (S.Z.) Co., Ltd.
- Tamura Electronics (Huizhou) Co., Ltd.
- Tamura Automotive Electronics (Foshan) Co., Ltd.

- Tamura Kaken Corp., U.S.A.

- Tamura Corporation of America
- Tamura Power Technologies de Mexico, S.A. de C.V.

AMERICAS

- Telepart-Tamura Industria e Comercio Ltda.
- Indusul Industria de Transformadores Ltda.

**SHANGHAI XIANGLE
TAMURA ELECTRO CHEMICAL
INDUSTRY CO., LTD.**



**TAMURA POWER TECHNOLOGIES
DE MEXICO, S.A. DE C.V.**



**TAMURA ELECTRONICS (HUI
ZHOU) CO., LTD.**



**TAMURA ELECTRONICS
(SUZHOU) CO., LTD.**



- Indusul Industria de Transformadores Ltda.

Caution Concerning Forward-looking Statements

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